

# **BANCO PRODUCTS (INDIA) LIMITED**



**53rd ANNUAL REPORT  
2013-2014**



**VISION**

**A WORLD CLASS COMPONENT MANUFACTURING  
COMPANY BASED IN INDIA WITH GLOBAL ASSOCIATES**

**CORPORATE MISSION**

**DEVELOP AND SUPPLY TECHNICALLY SOUND PRODUCTS  
AT COMPETITIVE PRICES, INTEGRATING  
INNOVATIVE MANUFACTURING  
WITH ECO-FRIENDLY TECHNOLOGIES**

<b>Board of Directors</b>	:	Vimal K. Patel	Chairman
		Mehul K. Patel	Vice Chairman & Managing Director
		Samir K. Patel	Director
		Atul G. Shroff	Director
		Ramkisan Devidayal	Director
		Mukesh D. Patel	Director
		Sudesh Kumar Duggal	Director
		Shailesh A. Thakker	Executive Director & C F O
		Kiran Shetty	Executive Director
<b>Company Secretary</b>	:	Dinesh Kavthekar	
<b>Bankers</b>	:	State Bank of India	
		Bank of Baroda	
		HDFC Bank Ltd.	
		Standard Chartered Bank	
<b>Auditors</b>	:	Shah & Company,	
		Chartered Accountants,	
		Mumbai.	
<b>Registered Office</b>	:	Bil, Near Bhaili Railway Station,	
		Padra Road, Dist. Vadodara-391 410	
<b>Works</b>	:	At Bil, Near Bhaili Railway Station,	
		Padra Road, Dist. Vadodara-391 410	
		At Jamshedpur	
		At Rudrapur	
		At Waghodia (SEZ Unit)	
<b>Listing</b>	:	BSE Limited	
		National Stock Exchange of India Limited	
<b>CIN No.</b>	:	L51100GJ1961PLC001039	

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### NOTICE

Notice is hereby given that the 53<sup>rd</sup> Annual General Meeting of Banco Products (India) Limited will be held on the Tuesday, 23<sup>rd</sup> September, 2014 at 10.30 a.m. at the Registered Office of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist Vadodara - 391 410, to transact the following business:

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Statement of Profit and Loss Account for the year ended 31.03.2014 and Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend, @ 15% on Face Value of Rs. 2/- each per Equity Share.
3. To appoint a Director in place of Shri Mehul K. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Samir K. Patel who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and if thought fit, to pass with or without modification(s), the following resolutions as an Ordinary Resolution.

“RESOLVED THAT pursuant to the applicable provisions of the Companies, Act 2013 and Rules and regulations made thereunder, if any, from time to time and pursuant to the recommendation of Audit Committee of the Board of Director, M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad, (FRN : 106041W) be and is hereby appointed as Auditors of the Company in place of retiring Auditors M/s. Shah & Co., (FRN : 109430 W) Chartered Accountants, Mumbai to hold office of the auditors for 5 years till conclusion of the sixth Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company.”

#### SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution.  
Re – appointment and remuneration of Shri Mehul K. Patel as the Vice-Chairman & Managing Director of the Company

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder read with Schedule V to the said Act (including any statutory modification or re-enactment thereof for the time being in force), and in terms of the recommendation of the Nomination and Remuneration Committee in this regards, consent of Shareholders be and is hereby accorded for the reappointment and remuneration of Shri Mehul K Patel (DIN 01772099) as the Vice-Chairman & Managing Director of the Company for a period of 3 years effective from 01.08.2014 to 31.07.2017, on the remuneration and on such terms and conditions as set out in the Draft Agreement to be executed with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the provisions of the Companies Act, 2013 or any amendment thereto or any reenactment thereof and as may be agreed between the Board of Directors and Shri Mehul K. Patel.”

#### Remuneration :

Basic Salary, Perquisites and other allowance/benefits up to maximum CTC of Rs. 127.67 Lacs per annum or such higher amount as may be decided by the Board of Directors of the Company, from time to time.

#### Perquisites and Allowances :

- a) Housing : Company Leased Housing Accommodation or House Rent Allowance, as per the rules of the Company.
- b) Leave Travel Concession for self and family, as per the rules of the Company.
- c) Medical Reimbursement, Medical Insurance and Personal Accident Insurance, as per the rules of the Company.
- d) Gratuity, Provident Fund and Superannuation Fund or Annuity Fund, as per the rules of the Company.
- e) Conveyance : As per rules of the Company.
- f) Free Telephone Facility for self and at the residence, as per the rules of the Company.
- g) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be, as per the rules of the Company.
- h) Leave : As per rules of the Company.

- i) Other perquisites, allowances, benefits and amenities as per the service Rules of the Company as applicable from time to time.

**Commission:**

The Vice - Chairman and Managing Director shall also be paid commission, in addition to salary, perquisites, allowances and others, calculated with reference to net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company, subject to overall ceilings stipulated in Sections 197 of the Companies Act, 2013.

“RESOLVED FURTHER THAT the total remuneration including commission, payable to the Vice- Chairman and Managing Director shall not exceed 8% of the net profit of the company for the relevant financial year.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company shall pay in respect of such financial year, the remuneration paid for immediately preceding financial year as minimum remuneration by way of salary, allowances, perquisites and other benefits, subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary and expedient to give effect to this resolutions”.

7. To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution.

Re –appointment and remuneration of Shri Shailesh Thakker as the Executive Director & CFO of the Company

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder read with Schedule V to the said Act (including any statutory modification or re-enactment thereof for the time being in force), and in terms of the recommendation of the Nomination and Remuneration Committee in this regards, consent of Shareholders be and is hereby accorded for the reappointment and remuneration of Shri Shailesh Thakker (DIN 02271833) as the Executive Director & CFO of the Company for a period of 3 years effective from 20.07.2014 to 19.07.2017, on the remuneration and on such terms and conditions as set out in the Draft Agreement to be executed with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the provisions of the Companies Act, 2013 or any amendment thereto or any reenactment thereof and as may be agreed between the Board of Directors and Shri Shailesh Thakker.”

**Remuneration :**

Basic Salary, Perquisites and other allowance/benefits up to maximum CTC of Rs. 86.07 Lacs per annum or such higher amount as may be decided by the Board of Directors of the Company from time to time.

**Perquisites and Allowances :**

- a) Housing : Company Leased Housing Accommodation or House Rent Allowance, as per the rules of the Company.
- b) Leave Travel Concession for self and family, as per the rules of the Company.
- c) Medical Reimbursement, Medical Insurance and Personal Accident Insurance, as per the rules of the Company.
- d) Gratuity, Provident Fund and Superannuation Fund or Annuity Fund, as per the rules of the Company.
- e) Conveyance : As per rules of the Company.
- f) Free Telephone Facility for self and at the residence, as per the rules of the Company.
- g) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund shall be, as per the rules of the Company.
- h) Leave : As per rules of the Company.
- i) Other perquisites, allowances, benefits and amenities as per the service Rules of the Company as applicable from time to time.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company shall pay in respect of such financial year, the remuneration paid for immediately preceding financial year as minimum remuneration by way of salary, allowances, perquisites and other benefits, subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary and expedient to give effect to this resolutions”.

8. To consider and if thought fit, to pass with or without modification(s), the following resolutions as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Atul G. Shroff (DIN 00019645), who was appointed as a Director liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary and expedient to give effect to this resolutions”.

9. To consider and if thought fit, to pass with or without modification(s), the following resolutions as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ramkisan Devidayal (DIN 00238853), who was appointed as a Director liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary and expedient to give effect to this resolutions”.

10. To consider and if thought fit, to pass with or without modification(s), the following resolutions as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Mukesh D. Patel (DIN 00009605), who was appointed as a Director liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary and expedient to give effect to this resolutions”.

11. To consider and if thought fit, to pass with or without modification(s), the following resolutions as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Sudesh Kumar Duggal (DIN 00566943), who was appointed as a Director liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary and expedient to give effect to this resolutions”.

12. To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution.

“RESOLVED THAT in supersession of previous resolution passed and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) (‘the Act’) and other applicable provisions, if any, of the Act and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow, from time to time, any sum(s) of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs. 500 crores (Rupees Five Hundred Crores only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolutions”.

#### NOTES :

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES SHOULD BE LODGED WITH THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business enumerated at Item No. 6 to 12 is annexed hereto.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided such person shall not act as a proxy for any other person or shareholder. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
4. The Members and/or Proxies are requested to bring their valid ID Proof at the time of Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 15.09.2014 to 23.09.2014 (both days inclusive).
6. The Final Dividend on Equity Shares as recommended by the Directors for the year ended 31.03.2014, if approved at Annual General Meeting will be paid on or after 10.10.2014 :
  - a. To all Beneficial Owners in respect of shares held in electronic form, as per the date made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 14.09.2014.
  - b. To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 14.09.2014.

7. All the relevant documents referred to in the Notice are available for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on any working day except Sundays and public Holidays up to the date of Annual General Meeting.
8. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate to either the Company or Company's Registrar and Transfer Agent, M/s. Link Intime India Private Limited, B-102 & 103, Shangrila Complex, 1<sup>st</sup> Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020 under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants.
  - (I) Name of the Sole/First Joint holder and the Folio Number.
  - (II) Particulars of Bank Account, viz;
  - (III) Name of Bank
  - (IV) Name of Branch
  - (V) Complete address of the Bank with Pin Code Number
  - (VI) Account type, whether Savings Account (SA) or Current Account (CA)
  - (VII) Bank Account Number.
- (b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
9. Members are requested to bring their copies of the Annual Report to the meeting. Members desirous of obtaining any information with respect of the accounts of the Company are requested to send their queries in writing to the company at its Registered Office so as to reach at least seven days before the date of the meeting.
10. In terms of the applicable provisions of the Companies Act, Rules and Regulations in force, the unclaimed / unpaid dividend will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
11. To enable the Company to send various communication electronically, the Shareholders are requested to register/ update their Email Addresses as under :
  1. In respect of those shareholders who are holding Shares in Demat Form, through their respective Depository Participant.
  2. In respect of those shareholders who are holding Shares in Physical Form, with the Registrar & Transfer Agents of the Company as per following Address along Folio Number details.

**LINK INTIME INDIA PVT. LTD**

**(Unit : Banco Products (India) Limited)**

B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota, Vadodara 390020.

Phone No. 0265 – 2356573,/2356794, Fax No. 0265- 2356791

E-MAIL : [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

Alternatively, the such Email addresses can be provided to the Company at aforesaid Registered Office Address or at email ID [investor@bancoindia.com](mailto:investor@bancoindia.com) Fax No. 0265 - 2680433

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass all resolutions by electronic voting system in accordance with the above provisions.



The instructions for e-voting are as under:

### SECTION A - E-VOTING PROCESS

- Step 1 : Open your web browser during the voting period and log on to the e-Voting Website: [www.evotingindia.com](http://www.evotingindia.com).
- Step 2 : Click on “Shareholders” to cast your vote(s)
- Step 3 : Please enter User ID –
- For account holders in CDSL :- Your 16 digits beneficiary ID.
  - For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digits Client ID.
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Step 4 : Enter the Image Verification as displayed and Click on Login.
- Step 5: If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- Step 6 : If you are a first time user follow the steps given below:
- Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
  - Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format.
  - Enter your Dividend Bank details (Account Number) recorded in the demat account or registered with the Company for the demat account. Any one of the details i.e. DOB or Dividend Bank details should be entered for logging into the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company please enter the number of shares held by you as on the cutoff date (record date) i.e. 14th August, 2014 in the Dividend Bank details field.
- Step 7 : After entering these details appropriately, click on “SUBMIT” tab.
- Step 8 : First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- Members holding shares in physical form will then directly reach the Company selection screen.
- Step 9 : Click on the EVSN of the Company i.e. 140813005 to vote.
- Step 10 : On the voting page, you will see Resolution description and against the same the option ‘YES/NO’ for voting. Select the option YES or NO as desired and click on submit. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- Step 11 : Click on the Resolution File Link if you wish to view the entire resolution details.
- Step 12 : After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Step 13 : Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

## SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. The e-Voting period commences on 16.09.2014 (9.00 a.m.) and ends on 17.09.2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cutoff date 14.08.2014 may cast their vote electronically. Thereafter, the e-Voting module shall be disabled for voting. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii. M/s J J Gandhi & Co. Practicing Company Secretary (Membership No.: 3519; CP No: 2515) having address: 231, Phoenix Complex, Besides Suraj Plaza, Sayajigunj, Vadodara – 390 005, has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.
- v. The results of Voting will be announced by the Chairman of the meeting on or after two days of the Annual General Meeting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bancoindia.com](http://www.bancoindia.com) and on the website of CDSL <https://www.cdslindia.com> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii. For Members holding shares in physical form, the password and details can be used only for e-Voting on the resolutions given in this notice.
- viii. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
- ix. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### Contact Details:

<b>Company :</b>	Banco Products ( India) Limited Regd. Office: Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara -391 410 CIN: L51100GJ1961PLC001039 E-mail ID: <a href="mailto:sec@bancoindia.com">sec@bancoindia.com</a> , <a href="mailto:investor@bancoindia.com">investor@bancoindia.com</a> .
<b>Registrar and</b>	Link Intime India Private Limited
<b>Transfer Agent :</b>	B-102-103, Shangrila Complex, Near Radhakrishna Char Rasta, Opp. HDFC Bank, Akota, Vadodara – 390 020. Phone: +91-265-2356573/ 2356794 Fax: +91-22-2356791 E-mail: <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a>
<b>e-Voting Agency :</b>	Central Depository Services (India) Limited E-mail ID: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>

**Scrutinizer :** J J Gandhi & Co., Vadodara.  
Practising Company Secretary  
E-mail ID: [jjgandhics@gmail.com](mailto:jjgandhics@gmail.com)

Date : 09.08.2014  
Place : Bil

By Order of the Board,  
Mehul K Patel  
Vice Chairman and Managing Director

### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.**

#### **Item 6 and 7.**

Shri Mehul K. Patel is one of the Promoter Directors and reputed Industrialist with experience of more than 23 years in the Industry. He is looking after the overall business affairs of the Company and has been one of the guiding forces for the formulating various marketing policies and initiatives, as is reflected in the financial performance of the Company.

The Board of Directors, in its meeting held on 14.07.2014, in terms of recommendation of Nomination and Remuneration Committee in its meeting held on 14.07.2014, have approved his reappointment and remuneration as the Vice-Chairman & Managing Director of the Company for a further period of 3 years w.e.f. 01.08.2014 subject to approval by the shareholders.

Shri Mehul K Patel is holding 56,15,382 Equity Shares of Face Value Rs.2/- each of the Company.

Shri Shailesh A. Thakker is B.Com., PGDBM., ICWA. Shri Shailesh Thakker is Executive Director & CFO of the Company. He is in charge of Finance, Taxation, Accounts, other Commercial and management activities of the Company. He has more than 20 years of experience in various reputed companies.

The Board of Directors, in its meeting held on 14.07.2014, in terms of recommendation of Nomination and Remuneration Committee in its meeting held on 14.07.2014, have approved his reappointment and remuneration as the Executive Director & CFO of the Company for a further period of 3 years w.e.f. 20.07.2014 subject to approval by the shareholders.

Shri Shailesh Thakker is not holding any Equity Shares of the Company.

The Company has made fast progress since last three years and has shown healthy growth in terms of Turnover Rs. 438 /- Crores approx. in the Financial Year ending on 31.03.2014 and the Profit is Rs. 67/- Crores approx. in the Financial Year ending on 31.03.2014 .

Considering the significant overall progress made by the Company under the management of the Managerial Personnel of the Company and considering the Industry benchmarks for the remuneration of similar positions, the Board has approved the remuneration to Managerial Personnel.

The actual remuneration shall be decided by the Board at the end of every financial year which shall be within overall limits of remuneration prescribed under the Companies Act, 2013 and rules made thereunder.

#### **(i) Directors Interested:**

Shri Mehul K. Patel, Shri Vimal K. Patel, Shri Samir K. Patel and Shri Shailesh Thakker have financial interests in their respective resolutions.

#### **(ii) Key Managerial Personnel Interested:**

Shri Mehul K. Patel and Shri Shailesh Thakker, being KMPs of the Company, have financial interest in their respective resolutions.

#### **(iii) Relatives of persons mentioned in (i) and (ii) above:**

Shri Vimal K. Patel, Shri Mehul K. Patel, Shri Samir K. Patel being relatives of each other, have financial interest in Item No. 6 .

None of the other Directors, KMPs or their relatives, except as above, has any concern or interest, financial or otherwise, in the resolutions set out at Item No. 6 and 7.

**Item 8.**

Shri Atul G. Shroff is a Non Executive Independent Director of the Company, whose period of office was liable to be determined by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Therefore, it is proposed to appoint Shri Atul G. Shroff, as Non-Executive Independent Directors of the Company up to the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Brief resume of Shri Atul G. Shroff together with other details as required under clause 49 of the Listing Agreement is provided in the Annexure to this notice. In the opinion of the Board, Shri Atul G. Shroff fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Atul G. Shroff as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sundays and Public Holidays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Atul G. Shroff as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Atul G. Shroff as an Independent Director, for the approval by the shareholders of the Company.

Shri Atul G Shroff is holding 6600 Equity Shares of Face Value Rs.2/- each of the Company.

None of the Directors, Key Managerial Personnel or their relatives, except Shri Atul G. Shroff, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 8.

**Item 9.**

Shri Ramkisan Devidayal is a Non Executive Independent Director of the Company, whose period of office was liable to be determined by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Therefore, it is proposed to appoint Shri Ramkisan Devidayal, as Non-Executive Independent Directors of the Company up to the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Brief resume of Shri Ramkisan Devidayal together with other details as required under clause 49 of the Listing Agreement is provided in the Annexure to this notice. In the opinion of the Board, Shri Ramkisan Devidayal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Ramkisan Devidayal as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sundays and Public Holidays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ramkisan Devidayal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Ramkisan Devidayal as an Independent Director, for the approval by the shareholders of the Company.

Shri Ramkisan Devidayal is holding 5,86,034 Equity Shares of Face Value Rs.2/- each of the Company.

None of the Directors, Key Managerial Personnel or their relatives, except Shri Ramkisan Devidayal, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 9.

**Item 10.**

Shri Mukesh D. Patel is a Non Executive Independent Director of the Company, whose period of office was liable to be determined by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Therefore, it is proposed to appoint Shri Mukesh D. Patel, as Non-Executive Independent Directors of the Company up to the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Brief resume of Shri Mukesh D. Patel together with other details as required under clause 49 of the Listing Agreement is provided in the Annexure to this notice. In the opinion of the Board, Shri Mukesh D. Patel fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company

and is independent of the management. Copy of the draft letter for appointment of Shri Mukesh D. Patel as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sundays and Public Holidays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Mukesh D. Patel as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Mukesh D. Patel as an Independent Director, for the approval by the shareholders of the Company.

Shri Mukesh D. Patel is not holding any Equity Shares of the Company.

None of the Directors, Key Managerial Personnel or their relatives, except Shri Mukesh D. Patel, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 10.

#### **Item 11.**

Mr. Sudesh Kumar Duggal is a Non Executive Independent Director of the Company, whose period of office was liable to be determined by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, as per requirements of provisions of the Companies Act, 2013 and rules made thereunder, the Independent Directors are not liable to retire by rotation and are required to be appointed by Shareholders. Therefore, it is proposed to appoint Mr. Sudesh Kumar Duggal, as Non-Executive Independent Directors of the Company up to the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Brief resume of Mr. Sudesh Kumar Duggal together with other details as required under clause 49 of the Listing Agreement is provided in the Annexure to this notice. In the opinion of the Board, Mr. Sudesh Kumar Duggal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Sudesh Kumar Duggal as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sundays and Public Holidays.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sudesh Kumar Duggal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sudesh Kumar Duggal as an Independent Director, for the approval by the shareholders of the Company.

Shri Sudesh Kumar Duggal is not holding any Equity Shares of the Company.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Sudesh Kumar Duggal, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 11.

#### **Item 12.**

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a special resolution, borrow moneys, apart from temporary loans, in excess of aggregate of the paid up capital and its free reserves.

The above section 180 of the Companies Act, 2013 corresponds to section 293 of Companies Act, 1956 under which the consent of the Company was required by ordinary resolution.

Accordingly, the shareholders of the Company had accorded consent by ordinary resolutions to the Board of Directors for borrowing any sum(s) of money outstanding at any point of time, not exceeding the sum of Rs. 500 Crores (Rupees Five Hundred Crores only) and to create security or create mortgages, charges and hypothecations over the assets of the Company to secure above borrowings.

However, the Ministry of Corporate Affairs, New Delhi vide its General Circular No. 4/2014 dated 25<sup>th</sup> March, 2014 has stated that such ordinary resolutions passed under old Companies Act, 1956 for borrowing money in excess of limits and to create security on undertaking of the Company, shall remain valid upto one year from the commencement of the Companies Act, 2013 i.e. upto 11<sup>th</sup> September, 2014.

Therefore, it is proposed to reconfirm the limit of such borrowing power of Rs. 500 Crores (Rupees Five Hundred Crores only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Special Resolution.

The Board recommends the special resolution for adoption.

## ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING.

Information pursuant to Clause 49 of the Listing Agreement regarding reappointment of Directors.

Name of the Director	Shri Mehul K. Patel	Shri Shailesh A. Thakker
Date of Birth	29.10.1964	13.10.1967
Date of Appointment	08.02.1990	19.07.2008
Specialised Expertise / Brief Profile	Shri Mehul K. Patel is one of the Promoter Directors of the Company. He is in charge of marketing activities of the Company since more than 23 years. The Company has established itself in Domestic and Export markets under his able leadership and guidance. He has expertise in the working of various areas of Business Management.	Shri Shailesh Thakker is Executive Director & CFO of the Company. He is in charge of Finance, Taxation, Accounts, other Commercial and management activities of the Company. He has more than 20 years of experience in various reputed companies.
Qualifications	M.Sc (Engineering)	B.Com., PGDBM., ICWAI
Directorships of other Companies as on 31.03.2014	Banco Aluminium Limited Nederlandse Radiatoren Fabriek B.V Lake Minerals (Mauritius) Limited Banco Gaskets (India) Ltd. Lake Cement Ltd. Kilimanjaro Biochem Ltd. K K Patel Foundation Banco Foundation	Nederlandse Radiatoren Fabriek B.V Lake Minerals (Mauritius) Limited
Chairman/Member of other Committees of Companies as on 31.03.2014	Nil	Nil

Name of the Director	Shri Samir K. Patel
Date of Birth	25.03.1960
Date of Appointment	25.09.1983
Specialized Expertise / Brief Profile	Shri Samir K. Patel is one of the promoter directors of the Company. He is in charge of administrative matters of the Company since more than 18 years. He has vast experience and expertise in metal industry in general and aluminium in particular.
Qualifications	B.Sc MBA
Directorship in other companies as on 31.03.2014	Banco Aluminium Limited Banco Foundation Banco Gaskets (India) Limited Kilimanjaro Biochem Limited Lake Cement Limited K K Patel Foundation
Chairman/Member of other Committees of Companies as on 31.03.2014	Banco Products (India) Limited Shareholders' Grievance Committee - Member Banco Aluminium Ltd Audit Committee - Member

Name of the Director	Shri Ramkisan Devidayal	Shri Atul G. Shroff
Date of Birth	08.12.1950	23.12.1947
Date of Appointment	27.07.2002	15.04.1986
Specialized Expertise / Brief Profile	Shri Ramkisan Devidayal is M.Com and Director of Devidayal (Sales) Ltd. He has held various Positions such as President, Vice President, Committee Member etc. in various industry bodies like Federation of Gujarat Industries, Forum of Industries, Chamber of Commerce, Gujarat Pesticide Formulators Associations, Ahmedabad. He is also associated with various NGOs, Social Institutions etc. such as Baroda Citizen Council, Navrachna Credit Co-Operative Society. He is also on the Board of many companies.	Shri A.G. Shroff is Managing Director of Transpek Industry Ltd since its inception in 1965. His valued suggestions have resulted in improvement in working of the Company at various levels. The Company is growing under his able leadership.
Qualifications	M.Com (Business Management)	Matriculation
Directorship in other companies as on 31.03.2014	Munjal Auto Limited 20 Microns Limited 20 Microns Nano Minerals Ltd. Gujarat Metal Cast Ltd	Transchem Agritech Limited Transpek Industry Limited Transpek Industry (Europe) Ltd Excel Industries Limited Madison Invesments Pvt Ltd.
Chairman/Member of other Committees of Companies as on 31.03.2014	Banco Products (India) Limited Audit Committee - Chairman Remuneration Committee - Chairman Shareholders' Grievance Committee - Member 20 Microns Ltd Audit Committee - Chairman Shareholders' Grievance Committee - Member Remuneration Committee -Member Nomination and Compensation Committee - Member Munjal Auto Limited Audit Committee - Member Shareholders' Grievance Committee - Member Remuneration Committee - Member 20 Microns Nano Minerals Ltd Audit Committee - Chairman	Transpek Industry Limited -Finance Committee - Chairman -Share Transfer Committee - Chairman Banco Products (India) Limited Audit Committee - Member Shareholders' Grievance Committee - Chairman
Name of the Director	Shri Mukesh D. Patel	Shri Sudesh Kumar Duggal
Date of Birth	12.12.1949	02.12.1939
Date of Appointment	27.03.2009	22.09.2009
Specialized Expertise / Brief Profile	Shri Mukesh Patel is chairman and Managing Director of Transpek Finance Ltd. He was associated with various industry bodies such as Indian Chemicals Manufacturer's Association, CHEMXCIL, and Indian Association of Materials' Management. He has undergone training in all areas of business in leading Management	Shri Sudesh Kumar Duggal a senior IAS who has worked as CEO and Managing Director in Surat Electrical Company Ltd. and as Managing Director of Gujarat State Fertilizers Co. Ltd and Gujarat State Communication & Electronic Ltd. He also held various position with Central Govt and State Govt including Secretary to C.M and Governor.



	Institutions like IIMA, ASCI etc. He is also on the board of several other companies. He has expertise in the working of various areas of Management.	
Qualifications	B.Sc (Chemistry) B.Sc (Chemical Engineering)	M.Sc (Economics) from London School of Economics, IAS
Directorship in other companies as on 31.03.2014	Transpek Finance Limited Universal Esters Limited Punjab Chemicals & Crop Protection Ltd. Shilchar Technologies Limited Transpek Industry Ltd	Munjal Auto Industries Ltd. M/s. Angel Investor Services Pvt Ltd.
Chairman/Member of other Committees of Companies as on 31.03.2014	Transpek Industry Ltd Audit Committee - Chairman Shareholders and Investors Grievance - Member Remuneration Committee - Member Transpek Finance Ltd. Shareholders and Investors Grievance - Member Committee Shilchar Electronics Ltd Audit Committee - Chairman Shareholders and Investors Grievance - Chairman Punjab Chemicals & Crop Protection Audit Committee - Chairman Shareholders and Investors Grievance - Chairman Remuneration Committee - Member Banco Products (India) Ltd. Audit Committee - Member Shareholders and Investors Grievance - Member	Nil



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 53rd Annual Report together with the Audited Statement of Accounts for the Year ended 31.03.2014.

### 1. FINANCIAL RESULTS :

(₹ in Crores)

Particulars	Stand alone		Consolidated	
	Year ended on 31.03.2014	Year ended on 31.03.2013	Year ended on 31.03.2014	Year ended on 31.03.2013
<b>Total Turnover</b>	438	438	1144	1008
Profit Before Taxation	83	48	122	82
Less: Provision for taxation	17	11	30	18
Deferred Tax Liability	-1	2	2	3
Profit After Tax	67	35	90	61
Add:				
Balance brought forward from previous year	208	194	245	205
Profit available for appropriation.	275	229	335	266
Appropriations:				
- Transfer to General Reserve	7	6	7	6
- Interim Dividend Paid	12	-	12	-
- Tax Paid on Interim Dividend	-	-	-	-
- Proposed Final Dividend	2	13	2	13
- Provision For Tax on Proposed Final Dividend	-1	2	-1	2
Balance Carried to Balance Sheet	255	208	315	245

### 2. DIVIDEND :

The Board, had declared and paid interim dividend during the year of Rs.1.70 Per Equity Share (85%) and has decided to recommend final dividend at 15% i.e. Rs. 0.30 per Equity Share of Rs. 2.00 each for the Financial Year ended on 31.03.2014 as compared to Rs. 1.80 Per Equity Share (90%) previous year. Accordingly the total dividend for the financial year ended 31<sup>st</sup> March, 2014 declared/recommended is Rs. 2.00 per share of face of Rs. 2.00 each ie. 100%.

### 3. MANAGEMENT'S DISCUSSION AND ANALYSIS :

The Report on Management Discussion and Analysis as required under the Listing Agreement is included in this report as Annexure – A. Certain statements in this said report may be forward looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

### 4. OPERATIONS :

The Company has sound manufacturing facilities which have been constantly upgraded and are supported by sophisticated Research and Development facilities for new projects or models OEM and other customers come up with.

Given below are the Financial figures.

	(₹ In Crores)	
	Year ended on 31.03.2014	Year ended on 31.03.2013
Sales (Net)	438	438
PAT	67	35

**DOMESTIC SALES :**

During the Financial Year, Company's domestic sales stands at Rs. 284 Crores against previous year Rs. 306 Crores.

**EXPORT SALES :**

During the Financial Year, Company's Export Sales stands at Rs. 154 Crores against previous year Rs. 132 Crores.

Overall sales mix remains as Domestic 65 % (Previous Year 70 %) and Export Sales 35 % (Previous Year 30 %).

**5. DIRECTORS' RESPONSIBILITY STATEMENT :**

In terms of Section 217(2AA) of the Companies Act, 1956, the directors would like to state that:

- i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed;
- ii) the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2014 on a going concern basis.

**6. DIRECTORS :**

During the year 2013-14, Shri Manubhai G. Patel resigned as Non-Executive and Independent Director of your Company w.e.f. 26.03.2014.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association, Shri Mehul K. Patel and Shri Samir K. Patel would retire by rotation and being eligible, offer themselves for re-appointment.

The Board has, in terms of recommendation of Nomination and Remuneration Committee, approved reappointment and remuneration to Shri Mehul K. Patel, as the Vice-Chairman & Managing Director of the Company for a period of 3 years with effect from 01.08.2014, subject to approval by the Shareholders in the ensuing Annual General Meeting. The details of the proposal are included in the Notice of ensuing Annual General Meeting.

The Board has approved reappointment and remuneration of Shri Shailesh Thakker as an Executive Director & CFO with effect from 20.07.2014 for a further period of 3 years, subject to approval by the Shareholders in the ensuing Annual General Meeting. The details of the proposal are included in the Notice of ensuing Annual General Meeting.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Shri Atul G. Shroff, Shri Ramkisan Devidayal, Shri Mukesh D. Patel and Shri Sudesh Kumar Duggal as Independent Directors of your Company up to 5 (five) consecutive years up to the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

All the Independent Directors have given the requisite declarations as required by the Companies Act, 2013 and the Rules made there under confirming that they meet with the criteria of independence as prescribed there under. The Board is of the opinion that these Directors meet the conditions specified in the Act and the rules made there under and are Independent of the management. The Board recommend their appointment as Independent Directors.

**7. AUDIT COMMITTEE :**

The Audit Committee as constituted in terms of Section 177 of the Companies Act, 2013, and Clause 49 of the Listing Agreement, with three independent Directors viz Shri Ramkisan Devidayal as the Chairman, Shri Atul G Shroff and Shri Mukesh D Patel as Members, and Shri Vimal Patel as member performed inter alia the work assigned to it as laid down thereunder, during the year under review.

## 8. CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Annual Report. The Company is regular in payment of Listing Fees to the Stock Exchanges.

## 9. PARTICULARS OF EMPLOYEES :

The information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975, forms part of this report as Annexure – C. However, as per the Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report are being sent to all shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary of the Company.

## 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in Annexure – B to this Report.

## 11. AUDITORS :

### 1. Statutory Auditors :

M/s. Shah & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company holds office of Auditors until conclusion of ensuing Annual General Meeting and the Retiring Auditors have informed their unwillingness for their re- appointment at the ensuing Annual General Meeting.

The Company has received proposal and confirmation from M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad, regarding their eligibility for Appointment as Statutory Auditors of the Company as per the applicable provisions of the Companies, Act 2013 and Rules and regulations made thereunder. The proposal for appointment of M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad, at the forthcoming Annual General Meeting is included in the Notice.

### 2. Internal Auditors :

The Company has appointed M/s. Sharp & Tannan, the Chartered Accountants as its Internal Auditors to carry out the Internal Audit of various operational areas of the Company.

### 3. Secretarial Auditors :

As per Section 204 of the Companies Act, 2013 and rules made thereunder, the Company is required to appoint Secretarial Auditor to carry out secretarial audit of the Company. The Company has appointed M/s. J.J. Gandhi & Co., Practising Company Secretaries as Secretarial Auditors of the Company for the financial year 2014-15.

## 12. SUBSIDIARIES :

### 12.1 Nederlandse Radiateuren Fabriek B.V – Netherlands

Nederlandse Radiateuren Fabriek B.V. Netherlands, and its subsidiaries, are engaged in the business of manufacturing and distribution of heat transfer products. During the Year, the Company has taken many initiatives in areas of productions, marketing and other operational areas. We expect that these initiatives will yield results in time to come which has resulted in to improvement in the performance of current Financial Year.

### 12.2 Lake Mineral (Mauritius) Limited — Mauritius

A wholly Owned subsidiary viz Lake Mineral (Mauritius) Limited was incorporated during the Year ended on 31.03.2012 and is in operations.

**12.3 Banco Gaskets (India) Limited - Vadodara**

In terms of the requisite approvals of shareholders, the Gasket Divisions of the Company is transferred to its Own Subsidiary Company viz. Banco Gaskets (India) Limited w.e.f. 31.03.2012.

In terms of the Circular No. No: 5/12/2007-CL-III dated 08.02.2011 and subsequent clarification in this regard issued by Ministry of Corporate Affairs, the Balance Sheet and Profit and Loss Account and other documents of these subsidiaries are not attached with Balance Sheet of this Company. However, the Financial Summary, as required, is included and forms part of this Report. The Annual Accounts and other Financial information related to subsidiaries shall be made available to any member on request and the same are available open for inspection at the Registered Office of your Company and that of respective subsidiaries.

The accounts of the subsidiaries are consolidated with the accounts of the Company in accordance with the applicable Accounting Standards. The consolidated accounts and the consolidated financial information of the subsidiaries form part of the Annual Report.

**13. PUBLIC DEPOSITS :**

As on 31<sup>st</sup> March, 2014 no deposits were due for repayment and remained unclaimed.

**14. INSURANCE :**

All the properties and insurable interests of the Company including buildings, plant and machineries and stocks, have been adequately insured.

**15. INDUSTRIAL RELATIONS :**

Overall industrial relation continued to be cordial. The Directors place on record their appreciation for the continued support and co-operation of all the employees.

**16. ACKNOWLEDGEMENT :**

Your Directors wish to convey their gratitude and place on record its deep appreciation for the co-operation and continued support received by the Company from Customers, Shareholders, Vendors, Bankers and Employees at all levels during the year.

By the order of the Board,

Date : 09.08.2014  
Place: Bil

Mehul K. Patel  
Vice- Chairman &  
Managing Director

Shailesh Thakker  
Director

## ANNEXURE - “A”

### MANAGEMENT DISCUSSION & ANALYSIS

**Introduction:**

Banco Products (India) Limited has been in the business of manufacturing Engine Cooling Units since last five decades. These products are considered critical components in Cooling applications for Internal Combustion Engines used in Automotive, Power Generation, Earth moving and Industrial applications.

**Industry Structure and Developments:**

The Automobile and Industrial Equipment Manufacturers in India have suffered deep losses, registering de-growth during the last financial year ended on 31.03.2014. Production volumes amongst major OEMs have registered substantial reduction, however, trend of reducing volumes seems to have bottomed out in recent months and outlook is positive.

Our company has focused in widening customer base in all sectors which have good future growth potential by developing new products which are well engineered, efficient to meet advanced and challenging technical specifications from OEMs. Efforts are being put to enhance aftermarket business through total re-organization and development of Banco brand.

**Operations:**

Our product have integrated manufacturing facilities to deliver range of products with consistent quality. Additional efforts are being made to improve efficiency through deeper implementation of ERP.

Manufacturing facilities which have been upgraded year on year are well recognized by leading OEM customers and supported by sound Research and Development facilities for taking on new projects to meet engine emissions standards of future.

**Strengths:**

More than Fifty years of experience in our business area gives us a sound understanding of the various applications and customer needs.

- \* Continuous Research and Development, adoption of new technology and processes, customer service, innovation and quick product development.
- \* Sound Financial disciplined working.

**Weakness:**

- \* Major share comes from Industrial equipment and Automotive segments.
- \* Any down word trend in Industrial activity or Automotive Sector may affect the performance.
- \* Competition from global majors and expectations is intensifying.

**Opportunities:**

- \* Developing OEM Customers overseas. Due to low cost base, serving international OEMs and outsourcing present a good opportunity.
- \* Deeper product reach into After Market segments.

**Threats:**

- \* Increasing material and metal prices.
- \* The increase in prices of Petroleum products and the Inflationary pressure on the Economy in general are some of the areas of concern.

**Technology:**

Banco has consistently strived to improve its Technology skills in its both manpower and physical assets. Prudent investment has yielded benefits and will do so in future.

**Internal Control and its Adequacy:**

The Company has successfully obtained renewal of TS-16949 certification and now started Lean 6-sigma implementation. Software for inter and intra department communication and follow up has been upgraded.

The system of internal control designed to provide reasonable maintenance of proper accounting records and the reliability of operational and financial information complying with statutes, safeguarding assets from unauthorized use or losses executing transaction with proper authorization ensuring compliance of corporate policies used with a view to running business. The Company has clearly defined organization structure and lines of authority. Sufficient control is exercised through monthly, quarterly and annual business review by the management Review Committee and application of Corporate Governance. An internal audit system is in place. Normal foreseeable risks to the Company's assets are adequately covered by comprehensive insurance.

The Company has, during the year engaged the services of an independent Firm of Chartered Accountants for the services of Internal Audit of operations of the Company for better control and to ensure adequacy and efficacy of the Internal Audit function.

In line with well accepted practices and objectives, the planning and internal audit is oriented towards the review of operational controls in the management risk strengths and opportunities.

The Company has an Audit Committee, which reviews the Reports of Internal and External Auditors, make suggestions for improvements, follow upon the implementation of corrective actions and keeps informed the Board of its major observation from time to time.

#### Information Technology:

Company is successfully operating SAP (ERP) system .

#### Financials :

The detailed financial analysis of the Company's operations for the year is given in the Directors' Report and therefore the same is not repeated. However, some important ratios on the Company's profitability are given below.

Particulars	Current Year 2013-2014	Previous Year 2012-2013
Net Profit to Sales (PBT) (%)	19	11
Earnings Per Share (EPS) (Rs.)	9	5
Cash earnings per Share (Rs.)	12	7
Return on Net worth (PAT) (%)	17	10
Dividend Payout Ratio(Including Dividend Tax) (%)	22	43
Retained Earnings (Rs. in Crores)	66	35
Retained Earnings (%)	78	57

#### Future Strategy:

It is clear that the Company's future has to be built upon its existing strengths and over five decades of proven skills in cooling and sealing business. Faster development of new products, very high quality customer-satisfaction-management is a thrust area. The Company has been developing new markets both in India and abroad, substantially broad basing export sales, penetrating existing markets and launching new products and building 'Banco' brand too. In addition, there is an increased focus on achieving greater efficiency through cost reduction initiatives and better supply chain management. Gasket Division is more focused into automotive segment and is developing applications in elastomeric product group.

#### Cautionary Statement :

Certain statement made in this report, are forward looking statement and actual results may differ from such expectation, projections etc as several factors would make significant difference to the Company's operations such as Economic conditions affecting demand and supply, Government's regulations, level of competitions prevailing at the relevant time etc.

## Annexure – “B”

INFORMATION IN ACCORDANCE WITH THE THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2014.

### A. CONVERSATION OF ENERGY :

The energy saving to the possible extent is being achieved through conversion of process equipments, installation of energy saving devices, effective energy management study, etc.

### FORM – A

Disclosure of particulars with respect to conservation of energy

	CURRENT YEAR 2013-2014	PREVIOUS YEAR 2012-2013
<b>A. Power and Fuel Consumption</b>		
<b>1. Electricity</b>		
[a] Purchased		
No. Unit KWH	8344237	7803912
Total amount (Rs. In Lacs)	583.93	548.07
Rate Per Unit (Rs.)	7.00	7.02
[b] Own Generation		
(I) Through Diesel Generator Unit KWH	15760	32416
Total Amount (Rs. in Lacs)	2.88	4.88
Rate Per Unit	18.29	15.05
(II) Through Gas Generator		
Units	415624	1365920
Units Per Litre of Fuel Oil / Gas	5.45	5.23
Cost / Unit	6.57	5.76
[c] Wind Electricity Generator		
Unit KWH	N.A	N.A
Total Amount (Rs. In Lacs)		
Rate Per Unit (Rs.)		
<b>2. Coal (specify quality and where used)</b>	N.A	N.A
Quantity (tonnes)		
Total Amount.		
<b>3. L D O Quantity (K.Ltr)</b>	N.A	N.A
Total Amount (Rs. in Lacs)		
<b>4. Other / (Natural Gas / Nitrogen Gas)</b>		
Quantity (Cu.Mts.)	1285143	4618419
Total Amount (Rs. in Lacs)	265.86	375.41
Rate/Per (Cu Mtr.)(Rs.)	20.69	8.13
<b>5 HI SPEED DIESEL OIL</b>		
Quantity (K.Ltrs)	22.81	29.81
Total Amount (Rs. in Lacs)	7.07	11.54
<b>6 HCR Quantity (K.Ltrs)</b>	NIL	NIL
Total Amount (Rs. in Lacs)	NIL	NIL

**B. CONSUMPTION PER UNIT OF PRODUCTION :**

In view of the number of products, with different sizes, shapes and other parameters, being manufactured by the Company, it is not feasible to give information on consumption of fuel per unit of production.

**FORM-B****A. TECHNOLOGY ABSORPTION:****Research and Development :**

1. Specific Area in which R & D activities are carried out.
  1. Development of new generation Charged Air Coolers, Oil coolers and Radiators for various industrial and automotive applications to operate in very adverse conditions.
  2. Development of new raw materials for improving product durability and reliability.
  3. Continuous research on product validation process, continual improvement, import substitution and wastage control.
2. Benefit which will derive as a result of the above R&D:
  1. The Company will add more names in its list of foreign customers.
  2. Find customers in user industries which currently do not form part of customer base.
  3. Competing with Global companies in the global market.
  4. Wastage control, reduction in manufacturing cost. Value addition in the supply chain management process.

**Future Plans :**

The Company will continue its efforts in improving the quality standard of products to meet the local and global challenges.

(₹ in Lacs)

Expenditure on R&D	2013-2014	2012-2013
1. Capital	79.89	40.90
2. Recurring	341.92	307.70
3. Total	421.81	348.60
4. Percentage of R & D Expenditure to Total Turnover	0.96%	0.80%

**Technology Absorption, Adaptation and Innovation :**

Installed validation laboratory equipments for measuring life cycle of products (oil coolers, off road radiators, condensers, CAC for E-III and E IV) and development and use of new generation raw materials used for the same.

**Benefits derived as a result of above :**

- Because of the Research and Development activities, the Company could develop the new processes and new products which enhance the engine life to give high heat transfer for effective cooling of engines.
- The Company is equipped to meet the stringent customer specifications thus capturing the domestic and global customers and is geared up for E-III and E-IV applications.
- Achievement of newer process and product improvements level to develop the products friendly and competitive.

**B. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

(₹ in Lacs)

	2013-2014	2012-2013
a. Earned by way of exports	14607.39	12816.56
b. Used by way of imports/expenses	9527.82	11086.01



## REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement entered into with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and lists the practices followed by the Company.

### 1. Company's Philosophy on Code of Corporate Governance :

Banco Products (India) Limited philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation, across all facts of its operations. The Company's Corporate Governance philosophy has been further strengthened through its Code of Conduct, Code of Conduct for prevention of Insider Trading as also the Code of Corporate Disclosure practices leading to sharply focused and operationally efficient growth. The business operations are conducted to benefit its all stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, from time to time and as applicable.

### 2. Board of Directors :

The Board of Directors comprises of 9 (Nine) Directors. There are 4 (Four) Non-Executive Independent Directors, 3 (Three) Non-Independent Executive Directors and 2 (Two) Non-Independent Non-Executive Director. A brief resume of the directors being re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the Board is annexed to the Notice.

The Composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the Companies in which he is a Director. Necessary disclosure regarding Committee position in other Public Companies as at 31.03.2014 have been made by the Directors.

The details of the names and categories of the Directors, their attendance at Board Meetings, Annual General Meetings, Number of directorships in other Companies and Committee Meetings etc. are given below.

#### Board Meeting and Composition of Board:

##### Details of Board Meeting

During the year 2013-2014, the Board met four times on 25.05.2013, 29.07.2013, 11.11.2013 and 11.02.2014. The longest gap between any two Board Meetings did not exceed four months.

##### Composition of Board

Name of Director	Nature of Directorship	No of Board Meeting attended during 2013-2014	Whether attended last A.G.M.	Directorship held in other Domestic Public Companies	@ No of Committee Membership	
					Chairman	Member
Shri Vimal K.Patel	Chairman & Promoter	1	No	2	—	3
Shri Atul G.Shroff	Non-Executive Independent	4	No	4	3	1
Shri Samir K.Patel	Non-Executive & Promoter	4	Yes	2	—	2
Shri Mehul K.Patel	Vice-Chairman & Managing Director & Promoter	4	Yes	2	—	—
Shri Ramkisan Devidayal	Non-Executive Independent	3	Yes	4	4	7

Shri Mukesh D. Patel	Non-Executive Independent	4	No	5	5	6
Shri Sudesh Kumar Duggal	Non-Executive Independent	3	Yes	1	–	–
Shri M.G. Patel *	Non-Executive Independent	2	No	2	3	2
Shri Shailesh Thakker	Executive Director & CFO	4	Yes	–	–	–
Shri Kiran Shetty	Executive Director	3	Yes	–	–	–

\* Resigned w.e.f. 26.03.2014

@ The Committees include Committees of Banco Products (India) Limited.

Shareholding of Directors Name	Nos of Shares held as on 31.03.2014 of ₹ 2/- each
Shri Vimal K. Patel	5572836 (7.79 %)
Shri Samir K. Patel	5016997 (7.02%)
Shri Mehul K. Patel	5615382 (7.85%)
Shri Atul. G. Shroff	6600
Shri Ramkisan Devidayal	586034 (0.82%)

None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company. Necessary information as mentioned in Annexure 1A to the Clause 49 of the Listing Agreement has been placed before the Board for their consideration, from time to time.

### 3. Board Procedures :

The Board Meetings are governed by structured Agenda. The Agenda along with detailed background notes are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with Chairman. The information as specified in Annexure 1A to the Clause 49 of the Listing Agreement is regularly made available to the Board.

### 4. Audit Committee:

The Board of Directors has constituted an Audit Committee, comprising three independent Non Executive Directors viz. Shri Ramkisan Devidayal, Shri Atul G. Shroff, Shri Mukesh D Patel and Promoter Director Shri Vimal K. Patel. Shri Ramkisan Devidayal, is the Chairman of the Audit Committee.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956 and Clause 49II(D) of the Listing Agreement and the terms of reference stipulated by the Board for the Audit Committee, covers the matters specified, which are as under.

#### A. The Audit Committee shall have the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employees.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### B. The Role of the Audit Committee shall include the followings:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustment made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Qualification in draft Audit Report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control system.
7. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit.
8. Discussion with Internal Auditors, any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the Audit Commences, about the nature and scope of audit as well as post audit discussion to ascertain any are of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders. Shareholder (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism.
13. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
14. To review the following information
  - The management discussion and analysis of financial condition and results of operations;
  - Statement significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letter/letters of internal control weakness issued by the Statutory Auditors;
  - Internal Audit Reports relating to internal control weakness; and
  - The appointment, removal and terms of remuneration of Internal Auditors.
15. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

During the year 2013-2014, four Audit Committee meetings were held on 25.05.2013, 29.07.2013, 11.11.2013 and 11.02.2014 details of attendance of members are as under.

Attendance of Members at the Meetings of the Audit Committees held during 2013-2014.

Name of Directors	Number of Meetings held	Meeting Attended
Shri Ramkisan Devidayal	4	3
Shri Atul G Shroff	4	4
Shri Mukesh D. Patel	4	4
Shri Vimal K Patel	4	1

Generally the Executive Director & C F O attends all the meetings.

## 5. Remuneration Committee :

The Board of Directors has constituted Remuneration Committee comprising three Independent, Non-Executive Directors namely, Shri Ramkisan Devidayal, Shri Atul G Shroff, Shri Mukesh D. Patel and Non-Executive Promoter Director Shri Vimal K Patel. Shri Ramkisan Devidayal is the Chairman of the Remuneration Committee.

The Remuneration Committee has been constituted to recommend / review remuneration of the Executive Directors based on their performance and defined assessment criteria.

Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

One Meeting of Remuneration Committee Meeting was held during the year on 29.07.2013.

### Details of Remuneration paid to Executive Directors during the year 2013-2014 as under.

Sr. No.	Name	Designation	Total Remuneration paid by way of Salary & Perquisites (₹ in Lacs.)
1	Shri Vimal K. Patel	Executive Chairman & Promoter	87.48
2	Shri Mehul K. Patel	Vice-Chairman & Managing Director & Promoter	115.67
3	Shri Shailesh A. Thakker	Executive Director & CFO	71.73
4	Shri Kiran Kumar Shetty	Executive Director	55.96

### Details of sitting fees paid to Non-Executive Directors during the year 2013-2014.

1.	Shri Atul G. Shroff	Independent Non-Executive Director	85000/-
2.	Shri Ramkisan Devidayal	Independent Non-Executive Director	62500/-
3.	Shri Mukesh D. Patel	Independent Non-Executive Director	85000/-
4.	Shri Sudesh Kumar Duggal	Independent Non-Executive Director	37500/-
5.	Shri M. G. Patel	Independent Non-Executive Director	25000/-

## 6. Shareholders'/Investors' Grievance Committee:

The Board of Directors has constituted the Shareholders' Grievance Committee, comprising of Shri A.G. Shroff, Shri Ramkisan Devidayal, Shri Mukesh D Patel and Shri Samir K. Patel. The Chairman of the Committee is Shri A.G. Shroff. The Committee, inter alia, oversees and reviews all matters connected with the securities and looks into shareholders complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, dematerialization of shares etc. The Committee oversees the performance of the Secretarial Department and the working of M/s. Link Intime India Private Ltd., the Registrar & Transfer Agent and recommends measures for overall improvement in the quality of services to the Investors.

During the year 2013-2014, two Shareholders' Grievance Committee Meetings were held on 25.05.2013 and 11.11.2013 details of attendance of members are as under.

Attendance of Members at the Meetings of the Shareholders' Grievance Committees held during 2013-2014.

Name of Directors	Number of Meetings held	Meeting Attended
Shri Ramkisan Devidayal	2	1
Shri Atul G Shroff	2	2
Shri Mukesh D Patel	2	2
Shri Samir K Patel	2	2

The Company has appointed Shri Upendra Joshi, the Secretarial Executive, as the Compliance officer along with the Company Secretary, as Compliance Officer.

During the period under review, one grievance was received. No grievances / complaints are outstanding and no requests for transfers and / or requests for dematerialization were pending for approval as on 31.03.2014.

## 7. General Body Meetings:

Particulars of the last 3 Annual General Meetings held are as under.

Date	Time	Place	Special Resolution
06.09.2011	10:00 a.m	At the Registered Office	- Special Resolution
04.08.2012	10:00 a.m	At the Registered Office	- No Special Resolution
21.09.2013	10:00 a.m	At the Registered Office	- No Special Resolution

## 8. Disclosures:

- Related Party transactions, comprising of contracts or arrangements with the Promoters or other Companies/ entities in which the Directors are interested, are entered in the Register of Contracts and placed before Board Meeting as per Section 301 of the Companies Act, 1956. None of the transactions with any of the related parties were in conflict with the interest of the Company.
- There were no instances of non-compliance and no strictures and penalties have been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities, on any matters related to capital markets, during the last three years.

### Mandatory Requirements:

The Company has complied with the mandatory requirements as stipulated in Clause 49 of the listing agreements with the stock exchanges.

### Non Mandatory Requirements:

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Quarterly Financial Results are extensively published in leading financial newspapers, uploaded on the Company's website and also sent to the shareholders on request. The Company affirms that no employee has been denied access to the Audit Committee. As regards the other non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

## 9. Means of communication:

The annual and quarterly results are regularly published by the Company in Loksatta (Gujarati) and Business Standard (English), the News Papers as per the Stock Exchange requirements.

In addition, these are also submitted to the Stock Exchanges in accordance with the Listing Agreement. Financial Results are supplied through E-Mail & posts to the Shareholders on request.

The Management Discussion and Analysis (MD&A) is a part of the Annual Report.

## 10. General Shareholder information:

### 10.1 Annual General Meeting:

- Date and time : Tuesday, the 23<sup>rd</sup> September , 2014 at 10.30 a.m.
- Venue : At the Registered Office at Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara – 391 410.

### 10.2 Financial Calendar :

Period	Board Meeting to approve
Un audited Financial Results for :	
Quarter ending 30.06.2014	: By end of July, 2014 or within statutory time limit
Quarter ending 30.09.2014	: By end of October, 2014 or within statutory time limit
Quarter ending 31.12.2014	: By end of January, 2015 or within statutory time limit
Audited Results for the year ended on 31.03.2015.	: By end of May, 2015 or within statutory time limit

**10.3 Dividend Payment Date** : On or after 10.10.2014

**10.4 Book Closure Dates for the purposed final dividend and AGM :**

To determine the entitlement of shareholders to receive the Dividend, if any, for the year ended 31.03.2014, the Register of Members and Share Transfer Books of the Company will remain closed from 15.09.2014 to 23.09.2014 (Both days inclusive) for the proposed of Final Dividend.

**10.5 Dividend Remittance:**

The Final Dividend on Equity Shares as recommended by the Directors for the year ended 31.03.2014 if approved at Annual General Meeting will be paid on or after 10.10.2014 :

- To all Beneficial Owners in respect of shares held in electronic form, as per the date made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 14.09.2014.
- To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 14.09.2014.

**10.6 Listing of Equity Shares on Stock Exchanges:** BSE Ltd.  
National Stock Exchange of India Ltd

**10.7 Stock Code**

Stock Code (BSE) : 500039  
Trading Symbol (NSE) : BANCOINDIA  
Demat ISIN Number : INE213C01025

**10.8 Stock Market Data:**

Monthly High & Low Quotes basing on the closing prices and number of shares traded during the last Financial Year on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Bombay Stock Exchange Limited.

Month	BSE			NSE		
	Highest	Lowest	No. of Shares Traded	Highest	Lowest	No. of Shares Traded
Apr - 13	41.90	35.15	103450	41.50	35.45	242111
May - 13	45.00	38.20	83424	49.00	37.45	125575
Jun - 13	41.95	33.15	62739	40.65	33.00	165994
Jul - 13	40.00	33.00	98162	39.00	32.25	134124
Aug - 13	43.75	34.00	63662	42.45	35.00	113916
Sep - 13	40.60	33.05	78436	40.50	33.25	179177
Oct - 13	49.30	34.50	575926	49.50	34.25	1262866
Nov - 13	67.30	40.25	1305134	67.35	40.50	2389747
Dec - 13	60.90	54.85	176531	60.00	55.05	833534
Jan - 14	59.45	50.80	150400	59.40	50.60	329962
Feb - 14	60.00	52.00	197056	61.90	50.35	725597
Mar - 14	76.60	54.00	947375	76.90	53.45	1671401

**10.9 Share Transfer System:**

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

All requests for dematerialization of shares are processed and confirmation is given to the respective depositories, i.e National Securities Depository Ltd (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

**10.10 Distribution of Shareholding as on 31.03.2014.**

No of Share Holding	Nos of Share holders	Nos of Shares	% to Total Capital
1 - 500	7470	1263862	1.77
501 - 1000	1694	1460770	2.04
1001 - 2000	1001	1659448	2.32
2001 - 3000	520	1437053	2.01
3001 - 4000	205	760471	1.06
4001 - 5000	148	700495	0.98
5001 - 10000	272	2004515	2.80
10001 and above	227	62232036	87.02
Total	11537	71518650	100.00

**10.11 Distribution of Shareholding Pattern as on 31.03.2014:**

Category	Nos of Shares	% of Total Capital
Promoters (including NRI, Bodies Corporate)	48549992	67.88
Non Promoters		
a. Banks and Financial Institution	2000	-
b. Bodies Corporate	1304932	1.83
c. Non Residents Indians	1976080	2.76
d. Mutual Fund & UTI	516274	0.73
e. Public	19169372	26.80
Total	71518650	100.00

**10.12 De materialization of Shares as on 31.03.2014.**

About ( 56.86 %) Equity Shares of the Company, have been Dematerialized.

The Company does not have any GDRs/ADRs/Warrants or any other convertible instruments.

**10.13 Equity Shares in the Suspense Account.**

The details are as under :

	Number of Shareholders	Number of Equity Shares of Face Value of ₹ 2/- per Share.
Aggregate Number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	294	541540
Number of Shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year.	1	300
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	1	300
Aggregate Number of Shareholders and the outstanding shares in the suspense account at the end of the year.	293	541240

As per Clause 5A of the Listing Agreement, the Company had demated 5,58,640 Equity Shares in Banco Products (India) Limited Unclaimed Suspense Account.

The voting rights on the shares outstanding in the suspense account as on 31.03.2014 shall remain frozen till the rightful owner of such shares claims the shares.

- 10.14 Plant locations**
- : at Bil, Dist. Vadodara.
  - : at Jamshedpur
  - : at Rudrapur
  - : at Waghodia (SEZ Unit)

**10.15 Address for Correspondence.:**

**For transfer/dematerialization of shares, transmission etc :**

Link Intime India Pvt Ltd.  
B – 102 & 103, Shangrila Complex,  
First Floor, Opp. HDFC Bank,  
Nr. Radhakrishna Char Rasta,  
Akota,  
Vadodara - 390020  
Phone : (0265) 2356573,  
Fax : (0265) 2356791  
E-mail: [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

**For payment of dividend and other quarries of the Company**

Secretarial Dept.  
Banco Products (India) Ltd.  
Bil, Near Bhaili Rly Station,  
Padra Road,  
Dist. Vadodara - 391 410

Phone : (0265) 2680220/1/2

E-Mail : [sec@bancoindia.com](mailto:sec@bancoindia.com), [investor@bancoindia.com](mailto:investor@bancoindia.com)

**DECLARATION**

**Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct:**

This is to confirm that the Company has adopted a Code of Conduct for its employees, Non Executive Directors and Executive Directors, which is also available on the Company's Web site.

I confirm that the Company has, in respect of the financial year ended 31.03.2014 received from the Senior Management Team of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management means the Chief Financial Officer, the Company Secretary and other employees in the Vice President cadre as on 31.03.2014.

**Date: 09.08.2014**  
**Place: Bil**

**Shailesh Thakker**  
**Executive Director & CFO.**





## AUDITORS' REPORT ON CORPORATE GOVERNANCE

TO THE MEMBERS OF  
**BANCO PRODUCTS (INDIA) LTD.**

We have examined the compliance of conditions of Corporate Governance by **BANCO PRODUCTS (INDIA) LIMITED** for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement entered into with the stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SHAH & CO.,**  
Chartered Accountants  
FRN 109430W

Place : Mumbai  
Date : 9<sup>th</sup> August, 2014

**ASHISH SHAH**  
Partner  
Membership No. 103750

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS,  
**BANCO PRODUCTS (INDIA) LIMITED,**  
 BIL, DISTRICT VADODARA.

### Report on the Financial Statements

We have audited the accompanying financial statements of Banco Products (India) Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). read with general circular 15/2013 dated 13<sup>th</sup> September 2013. of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of subsection (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with general circular 15/2013 dated 13<sup>th</sup> September 2013. of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) Since the Central government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Shah & Co. Chartered Accountants**  
 FRN: 109430W

Mumbai: 24<sup>th</sup> May, 2014

**ASHISH SHAH Partner**  
 Membership No.: 103750

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Para 1 under the heading "Report on the other – Legal and Regulatory Requirements" of our Report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. According to the information and explanations give to us, no material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of its fixed assets during the year.
2. (a) The Inventory has been physically verified by the Management at the reasonable intervals during the year except stock lying with third parties in respect of which confirmations have been obtained in majority of the cases by the company.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses iii (b),iii(c) and iii(d) of the order are not applicable to the Company in the current year..
- (b) According to the information and explanations given to us, the company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (f) and (g) are not applicable to the company for the current year.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have any information of any instances of major weaknesses in the aforesaid internal control systems.
5. (a) According to the information and the explanations given to us the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the companies (cost accounting records) Rule, 2011 prescribed by the Central Government under Section 290(1)(d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We however, have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.
- (c) Following disputed demands aggregating to ₹ 371.03 lakhs have not been deposited since the matters are pending with the relevant concerned authorities.

Name of the Statute	Nature of Dues	Amount In Lacs	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty & Service	329.65	Financial year 1999 till financial year 2014	1) ₹ 116.67 lacs pending with the CEGAT 2) ₹ 212.98 lacs pending with the CIT(A)
Sales Tax Act.	Sales Tax	41.38	Financial year 1995 and from financial year 2002 to Financial year 2009	1) ₹ 41.38 lacs pending with Appelallete Tribunal

10. The company does not have any accumulated loss as at 31<sup>st</sup> March, 2014. It has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's report) Order, 2003 (as amended) is not applicable to the company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing in shares, securities and other investments, and timely entries have been made therein. All shares securities and other investments have been held by the company in its own name.
15. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from a bank or financial institution.
16. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment by the Company.
18. According to the information and explanations given to us the company has not made any preferential allotment of shares during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any monies by public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Mumbai : 24<sup>th</sup> May, 2014

**For Shah & Co.**  
**Chartered Accountants**  
 FRN : 109430W  
**ASHISH SHAH Partner**  
 Membership No. : 103750

## BALANCE SHEET AS AT 31st MARCH, 2014

(₹ in Lacs)

PARTICULARS	Note No.	AS AT 31 March, 2014	AS AT 31 March, 2013
<b>I Equity and liabilities</b>			
<b>1 Shareholders' Funds:</b>			
Share capital	3	1,430.37	1,430.37
Reserves and surplus	4	37,600.28	32,245.18
		<b>39,030.65</b>	<b>33,675.55</b>
<b>2 Non-current liabilities:</b>			
Long term borrowings	5	2,167.91	3,874.66
Deferred tax liabilities(net)	6	948.64	1,034.12
Long term provisions	7	154.19	145.42
		<b>3,270.74</b>	<b>5,054.20</b>
<b>3 Current liabilities:</b>			
Short term provisions	8	312.30	1,541.17
Short term borrowings	9	7,034.29	9,697.62
Trade payables	10	3,719.62	2,778.01
Other current liabilities	11	3,622.68	3,328.27
		<b>14,688.89</b>	<b>17,345.07</b>
		<b>56,990.28</b>	<b>56,074.82</b>
<b>II Assets</b>			
<b>1 Non-current assets:</b>			
Fixed assets			
Tangible assets	12	12,273.02	12,416.11
Intangible assets		151.69	175.91
Capital Work in Progress		669.70	241.89
		<b>13,094.41</b>	<b>12,833.91</b>
Non-current investments	13	19,783.23	18,064.62
Long-term loans and advances	17	4,311.28	4,984.05
		<b>24,094.51</b>	<b>23,048.67</b>
<b>2 Current assets:</b>			
Current investments	13	33.25	85.37
Inventories	14	7,577.11	9,227.87
Trade receivables	15	9,319.19	9,045.60
Cash and cash equivalents	16	635.48	201.14
Short-term loans and advances	17	2,236.33	1,632.26
		<b>19,801.36</b>	<b>20,192.24</b>
		<b>56,990.28</b>	<b>56,074.82</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

Place : Mumbai

Date : 24<sup>th</sup> May, 2014**For and on behalf of the Board,**

Mehul K Patel

Ramkisan Devidayal

Mukesh D Patel

Shailesh A Thakker

Vice Chairman &amp; Managing Director

Director

Director

Executive Director &amp; Chief Financial Officer

Place : Vadodara

Date : 23<sup>th</sup> May, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

(₹ in Lacs)

PARTICULARS	Note No.	2013-14	2012-13
<b>I Revenue form operations (gross)</b>	<b>18</b>	47,252.84	47,632.47
Less :- Excise duty		3,536.86	3,855.34
		<b>43,715.98</b>	<b>43,777.13</b>
Other operating income		1,006.37	794.20
		<b>44,722.35</b>	<b>44,571.33</b>
<b>II Other Income</b>	<b>19</b>	3,366.48	960.16
<b>III Total revenue (I+II)</b>		<b>48,088.84</b>	<b>45,531.49</b>
<b>IV Expenses</b>			
Cost of materials consumed	<b>20</b>	24,427.61	26,269.96
Changes in inventories of work-in-progress and finished goods	<b>21</b>	441.20	(553.87)
Employee benefit expenses	<b>22</b>	2,570.32	2,488.44
Finance costs	<b>23</b>	1,421.77	1,179.53
Depreciation and amortisation expenses	<b>24</b>	1,651.71	1,573.79
Other expenses	<b>25</b>	9,286.48	9,737.68
<b>Total (IV)</b>		<b>39,799.08</b>	<b>40,695.53</b>
<b>V Profit/(loss) before exceptional and extra-ordinary items (III-IV)</b>		<b>8,289.76</b>	<b>4,835.96</b>
<b>VI Exceptional and extra-ordinary items</b>		-	-
<b>VII Profit before Tax (V-VI)</b>		<b>8,289.76</b>	<b>4,835.96</b>
Current tax		1,734.27	1,131.05
Deferred tax		(85.48)	219.80
		<b>1,648.79</b>	<b>1,350.85</b>
<b>VIII Profit for the year</b>		<b>6,640.97</b>	<b>3,485.11</b>
<b>Earning per equity share (face value of ₹ 2 each)</b>			
<b>Basic and diluted earning per share before exceptional and ordinary items</b>		<b>9.29</b>	<b>4.87</b>
<b>Basic and diluted earning per share after exceptional and ordinary items</b>		<b>9.29</b>	<b>4.87</b>
Summary of significant accounting policies	<b>2</b>		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Mehul K Patel

Ramkisan Devidayal

Mukesh D Patel

Shailesh A Thakker

Vice Chairman &amp; Managing Director

Director

Director

Executive Director &amp; Chief Financial Officer

Place : Mumbai

Date : 24<sup>th</sup> May, 2014

Place : Vadodara

Date : 23<sup>th</sup> May, 2014

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(₹ in Lacs)

PARTICULARS	31st March 2014	31st March 2013
<b>Cash flow from operating activities</b>		
<b>Net profit/(loss) before tax</b>	<b>8,289.76</b>	<b>4,835.96</b>
Adjustments for non cash items/items required to be disclosed separately:		
Depreciation and amortisation expenses	1,651.71	1,573.79
Interest and finance charges paid	1,421.77	868.99
Unrealised loss (net of gain)	77.43	39.58
(Profit)/loss on sale of fixed assets	(11.48)	(314.82)
(Profit)/loss on sale of investment	-	1.65
Interest received	(419.55)	(315.87)
Provision for diminution of investment	-	6.76
Dividend income from non-current investment	(2,380.30)	-
Dividend income from current investment	(15.71)	(11.61)
<b>Operating profit before working capital changes</b>	<b>8,613.62</b>	<b>6,684.43</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in trade receivables	(390.22)	(1,225.88)
(Increase)/decrease in inventories	1,650.76	(1,643.44)
(Increase)/decrease in loans and advances	1,357.34	4,396.97
Increase/(decrease) in provisions	(1,672.59)	5.11
Increase/(decrease) in other current liabilities	131.44	1,669.97
Increase/(decrease) in trade payables	983.79	(611.32)
Cash generated from operations	<b>10,674.14</b>	<b>9,275.84</b>
Direct tax paid (net of refunds)	(1,796.60)	(1,145.84)
<b>Net cash flow from operating activities (A)</b>	<b>8,877.55</b>	<b>8,130.00</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets and capital advances	(2,432.72)	(2,700.74)
Sale of fixed assets	31.72	389.29
Purchase of long term investments	(1,718.61)	(5,093.25)
Sale (Purchase) of current investment	52.12	114.85
Repayment of loan by Kilimanjaro Biochem Limited	1,005.32	687.39
Loan given during the year	-	(2,181.60)
Dividend income received	2,396.01	11.61
Interest received	408.01	333.30
<b>Net cash flow from investing activities (B)</b>	<b>(258.15)</b>	<b>(8,439.15)</b>
<b>Cash flow from financing activities</b>		
Dividend paid	(2,503.17)	(1,787.97)
Income tax (dividend distribution tax) paid on dividend	(30.47)	(290.05)
Interest and finance charges paid	(1,444.30)	(779.37)
Proceed/(repayment) in long-term borrowings	(1,543.78)	(1,653.43)
Proceed/(repayment) in short-term borrowings	(2,663.33)	4,163.46
<b>Net cash used in financing activities (C)</b>	<b>(8,185.05)</b>	<b>(347.36)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	434.34	(656.51)
Cash and cash equivalents at the beginning of the year	201.14	857.65
<b>Cash and cash equivalents at the end of the year</b>	<b>635.48</b>	<b>201.14</b>

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

Place : Mumbai

Date : 24<sup>th</sup> May, 2014**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Mehul K Patel

Ramkisan Devidayal

Mukesh D Patel

Shailesh A Thakker

Vice Chairman &amp; Managing Director

Director

Director

Executive Director &amp; Chief Financial Officer

Place : Vadodara

Date : 23<sup>th</sup> May, 2014



## NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

### 1) Corporate information

Banco Products (India) Limited is a public company domiciled in India and incorporated under the Companies Act, 1956. Equity shares of the company are listed on two stock exchanges in India. The Company is engaged in manufacturing and selling of radiators. The company caters to both domestic and international market.

### 2) Significant accounting policies

#### 2.1 Basis of accounting

- i) The financial statements have been prepared under the historical cost convention (except for certain fixed assets, which have been revalued) in accordance with the generally accepted accounting principles to comply with the applicable Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- ii) **Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the period.

#### 2.2 Fixed assets and depreciation/amortization

- i) Fixed Assets are stated at cost (net of cenvat/service tax credit wherever claimed) less accumulated depreciation and impairment, if any, other than land and building at Bhaili division which are shown at revalued cost. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to its working condition for its intended use including borrowing cost and incidental expenditure incurred up to the date the assets are ready for its intended use.
- ii) Depreciation on plant & machinery (except electrical installations), computers, laboratory equipments, machine tools and effluent treatment plant purchased on or after 1<sup>st</sup> October, 1982 has been provided on straight line basis and on other assets on written down value basis at the rates specified in schedule XIV of the Companies Act, 1956. Individual items of fixed assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.
- iii) Leasehold land is amortized over the period of lease.
- iv) Purchase cost and user license fees on software are amortized on straight line basis on rates of computer.

#### 2.3 Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to check if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit & loss in the year in which an asset is identified as impaired. The impairment loss, if any, recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### 2.4 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year-end are translated at the year-end rates. Any exchange differences arising on settlement/transaction are dealt with in the statement of profit and loss except those relating to acquisition of fixed assets, which are adjusted to the cost of the asset.

#### 2.5 Investments

Non-current Investments are stated at cost. No provision for diminution in value, if any, has been made as these are long-term investments and in the opinion of the management any decline is temporary. Current investments are stated at lower of cost and fair value.

#### 2.6 Inventories

- i) Raw materials, stores & spares, packing materials, work-in-process and finished goods are valued at lower of cost and net realizable value. Damaged, unserviceable and inert stocks are suitably depreciated.
- ii) In determining cost of raw materials, stores & spares and packing materials weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties and taxes other than those subsequently recoverable from tax authorities.



**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

- iii) Cost of finished products and work-in-process include the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and excise duty as applicable on the finished goods.

**2.7 Retirement benefits**

The Company has defined contribution plan for its employee's retirement benefits comprising of provident fund. The Company contributes to provident fund for its employees. The Company has defined benefit plan comprising of gratuity fund and leave encashment entitlement. The liability for the gratuity fund and leave encashment has been determined on the basis of an independent actuarial valuation done at the year-end. Actuarial gains and losses comprise adjustments and the effects of changes in the actuarial assumptions are recognised in the statement of profit and loss as income or expense. Contribution in respect of gratuity is paid to the Life Insurance Corporation of India (LIC).

**2.8 Research and development**

- i) Capital expenditure related to scientific research is shown separately under the respective head of fixed assets.
- ii) Revenue expenses including depreciation are charged to the statement of profit & loss.

**2.9 Revenue Recognition**

- i) Sale of products are recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are net of returns and discounts and exclude sales tax, excise duty and other charges.
- ii) Interest income is accounted on accrual basis/time proportionate basis at contractual rates
- iii) Divided income is considered on receipt basis.

**2.10 Provision for current and deferred tax**

- i) Provision for current tax is calculated after taking into consideration the deduction allowable under the provisions of the Income-tax Act, 1961.
- ii) Deferred tax resulting from 'timing difference' between book and taxable profit is accounted by using the tax rate that have been enacted or substantively enacted as on the balance sheet date. The deferred tax liability is provided in the statement of profit and loss. Deferred tax assets are recognised only if there is reasonable certainty that the assets can be realized in future.

**2.11 Borrowing costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing cost is recognized as an expense in the period in which they are incurred.

**2.12 Export Incentives**

Export incentives in respect of export made under duty drawback scheme as per the import export policy is recognised on accrual basis and to the extent of certainty of realization of ultimate collection.

**2.13 Provisions, contingent liabilities and contingent assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognised are disclosed by way of notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**2.14 Sundry debtors**

Sundry debtors are stated after writing off debts considered as bad. Provision is made for debts considered as doubtful, if any. Discounts due yet to be quantified at the customer level are included under the head "Current Liabilities and provisions".

**2.15 Earning per share**

The basic and diluted earning per share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**2.16 Proposed dividend**

Dividend recommended by the board of directors is provided for in the accounts, pending approval at annual general meeting.

**2.17 Lease accounting**

Lease rental income is accounted on accrual basis in accordance with the lease agreement.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 3. Shareholders' Funds

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Authorised Share capital</b>		
1520 lacs Equity shares (P.Y. 1520 lacs) of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and fully paid up</b>		
715.19 lacs Equity shares (P.Y. 715.19 lacs) of ₹ 2 each	1,430.37	1,430.37
<b>Total issued, subscribed and fully paid up share capital</b>	<b>1,430.37</b>	<b>1,430.37</b>

## 3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 31st March 2014 No. of Share in Lacs	As at 31st March 2013 No. of Share in Lacs
Balance at the beginning of the year	715.19	715.19
Addition during the year	-	-
Deletion during the year	-	-
<b>Balance at the end of the year</b>	<b>715.19</b>	<b>715.19</b>
	Share Capital ₹ In Lacs	Share Capital ₹ In Lacs
Balance at the beginning of the year	1,430.37	1,430.37
Addition during the year	-	-
Deletion during the year	-	-
<b>Balance at the end of the year</b>	<b>1,430.37</b>	<b>1,430.37</b>

## 3.2 Terms/rights attached to each equity share

The company has only one class of share referred to as equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuring annual general meeting. In the unlikely event of the liquidation of the company the equity shareholders are eligible to receive the residual value of the assets of the company if any after secured and unsecured creditors of the company are paid off, in the proportion of their shareholding in the company.

## 3.3 Shares held by holding, subsidiary and other associated companies.

	As at 31st March 2014 No. of shares	As at 31st March 2013 No. of shares
Share held by holding company or ultimate holding company	-	-
Share held by subsidiary company or ultimate subsidiary company	-	-
<b>Extent of holding</b>	<b>Extent of holding</b>	<b>Extent of holding</b>
Share held by holding company or ultimate holding company	-	-
Share held by subsidiary company or ultimate subsidiary company	-	-

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**3.4 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.**

	As at 31st March 2014 No. in Lacs	As at 31st March 2013 No. in Lacs
Equity shares of ₹ 2 each allotted as fully paid up bonus shares by capitalizing general reserve	-	590.95
Equity shares of ₹ 2 each allotted as fully paid up in terms of amalgamation without payment being received in cash.	99.45	99.45

**3.5 Share in the company held by each shareholder holding more than 5% shares specifying the no. of shares**

Name of Share holder	As at 31st March 2014 No. in Lacs (Holding in %)	As at 31st March 2013 No. in Lacs (Holding in %)
1 Vimal K.Patel	55.73 (7.79%)	55.73 (7.79%)
2 Samir K.Patel	50.17 (7.01%)	50.17 (7.01%)
3 Mehul K.Patel	56.15 (7.85%)	56.15 (7.85%)
4 Overseas Pearl Limited	269.10 (37.63%)	269.10 (37.63%)

**4. Reserves and surplus**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Capital reserve</b>		
At the beginning of the year and at the end of the year	0.77	0.77
	<b>0.77</b>	<b>0.77</b>
<b>Revaluation reserve</b>		
At the beginning of the year	61.48	23.70
Add:- Addition during the year	-	40.63
Less: Amount transferred to the statement of profit and loss as reduction from depreciation	(7.34)	(2.85)
At the end of the year	<b>54.14</b>	<b>61.48</b>
<b>Security premium reserve</b>		
At the beginning of the year and at the end of the year	1,200.31	1,200.31
	<b>1,200.31</b>	<b>1,200.31</b>
<b>General reserve</b>		
At the beginning of the year	10,160.81	9,560.81
Add: Amount transferred from the statement of profit and loss	700.00	600.00
At the end of the year	<b>10,860.81</b>	<b>10,160.81</b>

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Surplus in the statement of profit and loss</b>		
At the beginning of the year	20,821.80	19,442.83
Add:- reversal of excess dividend distribution tax provision	189.26	-
Net profit after tax for the year	6,640.97	3,485.11
<b>Less : Appropriations</b>		
Proposed dividend	(214.56)	(1,287.35)
Tax on final dividend	(36.46)	(218.79)
Interim dividend paid during the year	(1,215.82)	-
Tax on interim dividend	(0.94)	-
Transfer to general reserve	(700.00)	(600.00)
<b>At the end of the year</b>	<b>25,484.24</b>	<b>20,821.80</b>
	<b>37,600.28</b>	<b>32,245.18</b>

## 5. Long term borrowings

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Foreign currency secured term loan from bank*	3,726.73	4,874.51
Less: current portion of long-term borrowing (refer note 11)	(1,656.32)	(1,499.85)
	<b>2,070.41</b>	<b>3,374.66</b>
Indian rupees secured term loan from bank #	604.00	1,000.00
Less: current portion of long-term borrowing (refer note 11)	(506.50)	(500.00)
	<b>97.50</b>	<b>500.00</b>
	<b>2,167.91</b>	<b>3,874.66</b>

\* Foreign currency term loan carries interest@ 3M LIBOR plus 2%. The loan is repayable within 4 years on quarterly installments. The loan is secured by hypothecation of specific movable assets of the company by way of first charge.

# Indian rupees term loan outstanding of ₹ 500 lacs from bank carries interest base rate plus 105 bps p.a. The loan is repayable within 2 years on quarterly installments, from the date of loan, viz. 30th January 2013. The loan is secured by hypothecation of specific movable assets of the company by way of first charge.

# Indian rupees term loan outstanding of ₹104.00 Lacs from bank carries interest base rate plus 100 bps p.a. The loan is repayable within 5 years including moratorium of 12 months from the date of 1st disbursement with repayment in 16 equal quarterly installments thereafter. The loan is secured 1st Exclusive charge on specific Plant & Machinery of the company.

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**6. Deferred tax liability (net)**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Deferred tax liability</b>		
Fixed assets : impact of difference between WDV as per Income Tax Act and the financial report.	(1,024.17)	(1,097.75)
	<b>(1,024.17)</b>	<b>(1,097.75)</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	75.53	63.63
Total deferred tax assets	<b>75.53</b>	<b>63.63</b>
<b>Closing net deferred tax liability</b>	<b>(948.64)</b>	<b>(1,034.12)</b>
Opening net deferred tax liability	(1,034.12)	(814.32)
Charged to statement of profit and loss	(85.48)	219.80

**7. Long term provisions (non-current)**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Provision for gratuity (net of fund assets) (refer note 27)	49.52	57.82
Provision for leave encashment	104.67	87.60
	<b>154.19</b>	<b>145.42</b>

**8. Short term provisions**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Provision for gratuity (net of fund assets) (refer note 27)	54.41	29.20
Provision for leave encashment (refer note 27)	6.87	5.84
Proposed dividend	214.56	1,287.35
Tax on dividend	36.46	218.79
	<b>312.30</b>	<b>1,541.17</b>

**9. Short term borrowings (current)**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>a) Loans repayable on demand from Banks</b>		
<b>Secured loans</b>		
Cash credit from banks	368.29	251.24
Short-term loan from banks	2,000.00	2,350.00
Foreign currency loan-buyer's credit	-	800.00
Foreign currency loan-packing credit	-	380.31

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Unsecured loans</b>		
Foreign currency loan-packing credit	416.00	1,245.80
Foreign currency loan-buyer's credit	-	370.27
Short-term loan from banks	4,250.00	4,300.00
	<b>7,034.29</b>	<b>9,697.62</b>

- i) Cash credit loans are secured against first charge on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating scheduled banks
- ii) Short term loans from bank carries interest rate @ 10 % to 12% p.a. during the year.
- iii) Foreign currency buyer credit and packing credits are repayable within 90 to 180 days and carries interest @ LIBOR plus 2% to 3%.

**10. Trade payables**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Due to micro small and medium enterprises (refer note 36)	543.80	489.90
Due to others	3,175.82	2,288.11
	<b>3,719.62</b>	<b>2,778.01</b>

**11. Other current liabilities**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Current maturities of long-term debt	2,162.82	1,999.85
<b>Statutory liabilities</b>		
Payable to government authorities		
VAT Payable	27.87	10.04
Provident Fund Payable	14.50	12.47
Professional Tax Payable	0.88	0.91
TDS Payable	15.98	12.43
Interest accrued but not due on borrowings	65.53	88.06
Other payables	1,096.09	912.92
Unclaimed dividend	113.10	113.53
Advance received from customers	125.92	178.06
	<b>3,622.68</b>	<b>3,328.27</b>

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 12 Fixed Assets

(₹ in Lacs)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTIZATION			NET BLOCK	
	As at 1st April 2013	Additions	Deduction Others	As at 31st March 2014	As at 1st April 2013	For the year	Deduction Others	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013
<b>I Tangible Assets</b>										
a. Leasehold Land	869.96 (869.96)	-	-	869.96 (869.96)	20.13 (11.34)	8.79 (8.79)	-	28.92 (20.13)	841.04 (849.83)	849.83 (858.62)
b. Freehold Land	197.40 (213.77)	- (2.54)	- (18.91)	197.40 (197.40)	-	-	-	-	197.40 (197.40)	197.40 (213.77)
c. Buildings	3,546.05 (1,618.25)	493.70 (1,927.80)	1.74	4,038.01 (3,546.05)	878.49 (651.88)	278.89 (226.61)	-	1,157.38 (878.49)	2,880.63 (2,667.56)	2,667.56 (966.37)
d. Plant and Equipments	13,917.02 (11,441.86)	857.72 (2,618.70)	25.22 (143.54)	14,749.52 (13,917.02)	5,776.59 (4,658.06)	1,219.36 (1,248.44)	0.34 (129.91)	6,995.61 (5,776.59)	7,753.91 (8,140.43)	8,140.43 (6,783.80)
e. Furniture & Fixtures	212.71 (97.84)	6.49 (115.48)	- (0.61)	219.20 (212.71)	95.01 (66.79)	28.54 (28.77)	- (0.55)	123.55 (95.01)	95.65 (117.70)	117.70 (31.05)
f. Vehicles	349.44 (329.43)	69.10 (44.70)	9.15 (24.69)	409.39 (349.44)	231.49 (233.47)	42.55 (21.55)	8.03 (23.53)	266.01 (231.49)	143.38 (117.95)	117.95 (95.96)
g. Office equipment	221.14 (211.53)	4.18 (9.61)	-	225.32 (221.14)	120.74 (114.25)	11.70 (6.49)	-	132.44 (120.74)	92.88 (100.40)	100.40 (97.28)
h. Scientific Research				-				-	-	-
1 Building	85.25 (85.25)	-	-	85.25 (85.25)	47.27 (42.87)	3.80 (4.40)	-	51.07 (47.27)	34.18 (37.98)	37.98 (42.38)
2 Plant and Equipments	270.31 (257.46)	74.37 (12.85)	-	344.68 (270.31)	144.41 (125.33)	25.93 (19.08)	-	170.34 (144.41)	174.34 (125.90)	125.90 (132.13)
3 Software	57.60 (31.87)	3.12 (25.73)	-	60.72 (57.60)	16.07 (12.03)	10.66 (4.04)	-	26.73 (16.07)	33.99 (41.53)	41.53 (19.84)
4 Office Equipment	4.29 (3.44)	- (0.85)	-	4.29 (4.29)	2.47 (1.71)	0.38 (0.76)	-	2.85 (2.47)	1.44 (1.82)	1.82 (1.73)
5 Furniture and Fixture	20.75 (19.27)	- (1.48)	-	20.75 (20.75)	13.00 (11.51)	1.40 (1.49)	-	14.40 (13.00)	6.35 (7.75)	7.75 (7.76)
i. Others assets	29.73 (30.22)	9.50 (1.05)	- (1.54)	39.23 (29.73)	19.86 (19.85)	1.54 (1.48)	- (1.47)	21.40 (19.86)	17.83 (9.87)	9.87 (10.37)
<b>II Intangible Assets</b>				-				-	-	-
a. Software	242.17 (144.13)	1.29 (98.04)	-	243.46 (242.17)	66.26 (61.52)	25.51 (4.74)	-	91.77 (66.26)	151.69 (175.91)	175.91 (82.61)
<b>Total</b>	<b>20,023.82</b>	<b>1,519.47</b>	<b>36.11</b>	<b>21,507.17</b>	<b>7,431.79</b>	<b>1,659.05</b>	<b>8.37</b>	<b>9,082.47</b>	<b>12,424.71</b>	<b>12,592.02</b>
Previous year	(15,354.28)	(4,858.83)	(189.29)	(20,023.82)	(6,010.61)	(1,576.64)	(155.46)	(7,431.79)	(12,592.02)	

## Notes

- The Company has acquired leasehold land on 16th December 2010 on lease for 99 years. The amortization per year on the same is ₹ 8.79 lacs (Previous Year ₹ 8.79 lacs)
- The borrowing cost capitalised during the year ended on 31st March 2014 was ₹ Nil lacs ( Previous Year ₹ 27.25 lacs)
- Other assets include Weighing machine,Air Conditioners and other equipments.
- Figures in bracket represent previous year figure.

## 13. Non current investments (Long term investments)

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Unquoted fully paid shares in subsidiaries/indirect subsidiaries (refer note 30)</b>		
25,000 (P.Y. 25,000) Ordinary shares of 4.54 Euro each in Netherlands Radiateur Fabriek BV.	11,194.54	11,194.54
2,259 (P.Y. 2,259) Equity shares of TShs 1,00,000 each in Kilimanjaro Biochem Limited.	80.79	80.79

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
58,135 (P.Y. 30,135) Preference shares of US\$ 100 each in Lake Mineral (Mauritius) Limited.	3,194.31	1,475.70
26,750 Equity Shares (P.Y. 26,750) of US\$ 100 each in Lake Mineral (Mauritius) Limited.	1,673.87	1,673.87
35,000,000 (P.Y. 35,000,000) Equity shares of Rs. 10 each in Banco Gasket (India) Limited.	3,500.00	3,500.00
	<b>19,643.50</b>	<b>17,924.90</b>
<b>Unquoted fully paid equity instrument in common control enterprises</b> (refer note 30)		
6,20,080 (P.Y. 6,20,080) Equity shares in Banco Aluminium Ltd.	25.35	25.35
	<b>25.35</b>	<b>25.35</b>
<b>Other investments</b>		
3,721 (P.Y. 3,721) Equity shares of TShs 1,00,000 fully paid each in Lake Cement Ltd (refer note 46)	114.12	114.12
1,000 (P.Y. 1,000) Equity shares of Rs. 25 each fully paid Co-Operative Bank of Baroda	0.25	0.25
	<b>114.37</b>	<b>114.37</b>
	<b>19,783.23</b>	<b>18,064.62</b>
<b>Current investments (Short term investments)</b>		
<b>Investment in Equity and other Instruments (Quoted) (Fully Paid Up)</b>		
6,588 (P.Y. 6,588) India Motor Parts & Accessories Limited. of Rs. 10 each	3.14	3.14
132,700 (P.Y. 1,32,700) Swiss Glasscoat Equipment Limited. of Rs 10 each	13.38	13.38
511 (P.Y. 511) NHPC Limited of ₹ 10 each	0.18	0.18
787 (P.Y. 787) Oil India Limited of ₹ 10 each	3.31	3.31
400 (P.Y. 400) Perfect Circle Victor Limited of ₹ 1 each	0.01	0.01
17 (P.Y. 17) Talbros Eng Limited of ₹ 10 each having total value of ₹ 426/-	0.004	0.004
Nil (P.Y. 5) 10.5% Non convertible Debentures of Tata Housing Deveopment Limited of ₹ 10,00,000 each	-	52.12
	<b>20.02</b>	<b>72.14</b>
<b>Investment in mutual fund-quoted, fully paid up</b>		
2,00,000 (P.Y. 2,00,000) Baroda Pioneer PSU Equity Fund of ₹ 10 each	20.00	20.00
Less :- Provision for diminution of current investment	(6.77)	(6.77)
	<b>13.23</b>	<b>13.23</b>
	<b>33.25</b>	<b>85.37</b>



**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**13.1 Market value of quoted investments**

Particulars	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Equity Investments	83.77	83.10
Others	13.42	13.24
	<b>97.19</b>	<b>96.34</b>

**14. Inventories (at lower of cost or net realisable value)**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Raw materials	4,530.26	5,701.05
Work-in-progress	1,341.33	1,665.27
Finished goods	899.31	1,036.69
Stores and spares	669.32	643.20
Loose tools	10.00	57.70
Packing materials	126.88	123.96
	<b>7,577.11</b>	<b>9,227.87</b>

**15. Trade receivables**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	293.49	235.17
	<b>293.49</b>	<b>235.17</b>
Provision for doubtful receivables	-	-
<b>(A)</b>	<b>293.49</b>	<b>235.17</b>
<b>Other receivables</b>		
Unsecured, considered good	9,025.70	8,810.43
	<b>9,025.70</b>	<b>8,810.43</b>
Provision for doubtful receivables	-	-
<b>(B) Others</b>	<b>9,025.70</b>	<b>8,810.43</b>
<b>(A + B)</b>	<b>9,319.19</b>	<b>9,045.60</b>

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 16. Cash and bank balances

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Cash and cash equivalent</b>		
Cash on hand	11.81	19.27
<b>Balances with banks</b>		
In current accounts	23.59	61.97
In other accounts	-	0.01
<b>Other bank balance</b>		
With maturity between 3 to 12 Months	425.00	-
Unpaid dividend	113.10	113.53
Margin money with banks	61.98	6.36
	<b>635.48</b>	<b>201.14</b>

## 17. Loans and advances (Long Terms and Short Terms)

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Capital advances</b>		
Unsecured, considered good (refer note 31)	706.50	217.71
<b>Loans and advances</b> (refer note 30)		
Loan given to Kilimanjaro Biochem Limited	993.79	1,799.82
Other loans	2,288.74	2,181.60
Advance tax (net of provision for taxation)	322.25	259.92
Fixed deposits with less than 12 month maturity	-	525.00
	<b>4,311.28</b>	<b>4,984.05</b>
<b>Short term loans and advances</b>		
<b>(Unsecured, considered good)</b>		
Security deposit	23.80	73.93
Current maturities of loan given to Kilimanjaro Biochem Limited (refer note 30)	993.80	899.91
Current maturities of loan given to others	120.46	-
<b>Others loans and advances</b>		
Balance with statutory authorities	388.76	159.88
Prepaid expenses	90.02	96.60
Interest receivable on deposits	43.51	31.97
Advance to vendors (trade)	463.32	340.15
Other advances	112.66	29.83
	<b>2,236.33</b>	<b>1,632.26</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**18. Revenue from operations**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
<b>a) Sale of product</b>		
Finished goods	47,252.84	47,632.47
	<b>47,252.84</b>	<b>47,632.47</b>
Less : Excise duty	3,536.86	3,855.34
	<b>43,715.98</b>	<b>43,777.13</b>
<b>b) Other Operating Income</b>		
Scrap sales	866.41	785.52
Export incentives	139.96	8.68
	<b>1,006.37</b>	<b>794.20</b>
	<b>44,722.35</b>	<b>44,571.33</b>

**18.1 Details of product sold**

Copper brass radiators	11,977.69	12,541.15
Aluminium radiators	34,852.93	34,936.27
Others	422.22	155.05
	<b>47,252.84</b>	<b>47,632.47</b>

**19. Other income**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
<b>Interest income</b>		
- bank deposits	48.90	52.49
- current investments	3.55	11.76
- others	367.10	251.62
Profit on sale of assets	11.48	314.82
Exchange Gain (net)	425.41	91.92
<b>Dividend income on investments</b>		
- Investment in subsidiaries	2,380.30	-
- Other Investment	15.71	11.61
Other non operating income	114.03	225.94
	<b>3,366.48</b>	<b>960.16</b>

**20. Cost of materials consumed**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Inventory at the beginning of the year	5,825.01	4,918.97
Add : Purchases (net)	23,259.74	27,176.00
	<b>29,084.75</b>	<b>32,094.97</b>
Less : Inventory at the end of the year	4,657.14	5,825.01
<b>Cost of materials consumed</b>	<b>24,427.61</b>	<b>26,269.96</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**20.1 Details of raw materials and components consumed**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Copper and Copper alloys	6,807.83	5,817.61
Steel Sheet /Plates	180.40	184.92
Aluminum	10,472.42	10,878.50
Others	6,966.96	9,388.93
	<b>24,427.61</b>	<b>26,269.96</b>

**20.2 Value of imported and indigenous raw materials and components consumed and percentage of each to total consumption**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Imported % to total (Including canalized items at landed cost)	10,822.82	11,232.13
	44.31%	42.76%
Indigenous % to total	13,604.79	15,037.83
	55.69%	57.24%
	<b>24,427.61</b>	<b>26,269.96</b>

**21. Change in inventories of finished goods, work-in-progress and stock-in-trade**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
<b>Inventories at the end of the year</b>		
Work-in-progress	1,341.33	1,665.27
Finished goods	899.31	1,036.69
	<b>2,240.65</b>	<b>2,701.96</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	1,665.27	1,362.52
Finished goods	1,036.69	749.59
	<b>2,701.96</b>	<b>2,112.11</b>
<b>Changes in inventories</b>	461.32	(589.85)
<b>Increase/(Decrease) in excise duty on finished Goods</b>	(20.12)	35.98
	<b>441.20</b>	<b>(553.87)</b>

**22. Employee benefit expenses**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Salaries wages and bonus	2,271.31	2,201.77
Company's contribution to gratuity	42.74	43.84
Company's contribution to leave encashment	45.39	43.83
Contribution to provident and other fund	91.88	76.06
Providend fund administration charges	8.28	6.84
Staff welfare expenses	110.71	116.10
	<b>2,570.32</b>	<b>2,488.44</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**23. Finance cost**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Interest on loans	797.54	714.86
Interest-others	14.73	23.83
Loss on foreign currency traslation	485.00	310.54
Finance charges	124.50	130.30
	<b>1,421.77</b>	<b>1,179.53</b>

**24. Depreciation and amortization expenses**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Depreciation on tangible assets	1,633.54	1,571.90
Deprecation on intangible assets	25.51	4.74
	<b>1,659.05</b>	<b>1,576.64</b>
Less : Recoupment from revaluation reserve	(7.34)	(2.85)
	<b>1,651.71</b>	<b>1,573.79</b>

**25. Other expenses**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
<b>Manufacturing Expenses</b>		
Consumption of stores and spares	805.21	1,044.24
Power and fuel	631.77	640.97
Labour charges	2,939.86	2,967.41
Repair and maintenance		
Plant and machinery	436.17	625.58
Electric installation	90.01	132.00
Buildings	232.77	266.52
Sundry repairs	0.62	3.49
Factory general expenses	213.65	164.10
Insurance premium on assets	14.69	14.41
<b>Administrative Expenses</b>		
Payment to Auditors (refer note 25.1)	19.50	16.92
Rent rates and taxes	34.74	34.86

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Postage and courier	32.85	26.61
Telephone expenses	33.82	30.02
Travelling and conveyance	228.54	269.70
Miscellaneous expenses	211.44	223.33
Director sitting fees	2.95	3.08
Donation	12.93	1.94
Loss on sale of current investments	-	1.65
Provision for diminution in value of current investment	-	6.77
Commission and discount	1,033.23	813.28
Advertisement and sales promotion	17.14	30.34
Other selling expenses	289.77	444.08
Freight and transport (net)	2,004.80	1,976.38
	<b>9,286.48</b>	<b>9,737.68</b>

## 25.1 Payment to auditors

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
<b>As auditor :</b>		
Statutory audit fee	9.50	9.50
<b>In other capacity:-</b>		
Other services (certification fees)	7.72	3.70
Out of pocket expenses	2.28	3.72
	<b>19.50</b>	<b>16.92</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**26. Earnings per share**

The following reflects the profit and share data used in the basic and diluted EPS computations:

	2013-2014	2012-2013
Net profit/(loss) after tax before exceptional item - ₹ In lacs	6640.97	3485.11
Weighted numbers of equity shares outstanding - Nos. in lacs	715.19	715.19
<b>Basic earnings per share in rupees (₹ 2/- per share)</b>	<b>9.29</b>	<b>4.87</b>
<b>Diluted earning per share in rupees (₹ 2/- per share)</b>	<b>9.29</b>	<b>4.87</b>
	2013-2014	2012-2013
Net profit/(loss) after tax after exceptional item- ₹ in lacs	6640.97	3485.11
Weighted numbers of equity shares outstanding -Nos. in lacs	715.19	715.19
<b>Basic earnings per share in rupees (₹ 2/- per share)</b>	<b>9.29</b>	<b>4.87</b>
<b>Diluted earning per share in rupees (₹ 2/- per share)</b>	<b>9.29</b>	<b>4.87</b>

**27. The disclosure requirements as prescribed under the accounting standard 15(Revised) "Employee benefits are given below- Changes in present value of defined benefit obligation**

	31 <sup>st</sup> March 2014 ₹ In lacs Gratuity	31 <sup>st</sup> March 2013 ₹ In lacs Gratuity	31 <sup>st</sup> March 2014 ₹ In lacs Leave encashment	31 <sup>st</sup> March 2013 ₹ In lacs Leave encashment
Opening defined benefit obligation	192.27	168.92	93.43	73.29
Current service cost	22.44	21.60	18.58	17.46
Interest cost	14.55	12.93	6.47	5.22
Benefits paid	(25.32)	(33.40)	(27.29)	(23.68)
Actuarial (gains)/losses on obligation	14.66	22.22	20.35	21.14
<b>Closing defined benefit obligation</b>	<b>218.60</b>	<b>192.27</b>	<b>111.54</b>	<b>93.43</b>

**Reconciliation of fair value of plan assets (Funded)**

	31 <sup>st</sup> March 2014 ₹ In lacs	31 <sup>st</sup> March 2013 ₹ In lacs
<b>Opening fair value of plan assets</b>	105.26	156.76
Expected return	9.23	11.52
Contribution by employer	25.83	20.24
Benefits paid	(25.32)	(33.40)
Actuarial (gains)/losses	(0.33)	1.40
Asset transferred to Banco Gaskets(India) limited	—	(51.26)
<b>Closing fair value of plan assets</b>	<b>114.67</b>	<b>105.26</b>

**Benefit asset/liability**

	31 <sup>st</sup> March 2014 ₹ In lacs	31 <sup>st</sup> March 2013 ₹ In lacs
Present value of defined benefit obligation	218.60	192.27
Fair value of plan assets	114.67	105.26
<b>Plan assets/(liability)</b>	<b>(103.93)</b>	<b>(87.01)</b>

**Statement of profit and loss**
**Net employee benefit expenses recognized in the employee cost**

	31 <sup>st</sup> March 2014 ₹ In lacs	31 <sup>st</sup> March 2013 ₹ In lacs
Current service cost	22.44	21.60
Interest cost on benefit obligation	14.55	12.94
Expected return on plan assets	(9.23)	(11.52)
Net actuarial (gain)/loss recognized in the year	14.98	20.81
<b>Net benefit expenses</b>	<b>42.74</b>	<b>43.83</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Investment with Insurer	100%	100%

**Actuarial assumptions**

	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Expected rate of return on plan assets	8.75%	9.25%
Salary escalation rate	6.00%	6.00%
Withdrawal rates	5.00% *	5.00% *
Retirement age	55 Years	55 Years

Mortality assumption is based on LIC (1994-1996) published table rate

\* 5% at younger ages reducing to 1% at older age

**28. Segment Information**

The company has identified manufacturing of automobile components as its sole primary segment. Thus, the disclosure requirements as set out in Accounting Standard 17 (AS-17) "Segment Reporting" are not applicable.

**29. Contingent liabilities.**

	31 <sup>st</sup> March 2014 ₹ In lacs	31 <sup>st</sup> March 2013 ₹ In lacs
-Service tax and excise duty demand	329.64	261.44
-Sales tax	41.38	48.06
-Letter of credit outstanding	234.90	125.54
-Counter guarantees given to the banks in respect of various Guarantees issued by the banks to third parties	1,762.09	2861.16
-Claims from employees and former employees amount uncertainable	-	-
-Other claims against the company not acknowledged as debts amount uncertainable	-	-

The company is contesting the demands and the management, including its tax advisor, believes that its position is likely to be upheld in the appellate process. No tax expenses have been accrued in the financial statements for the demands raised as above. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and result of operations.

**30. Related party disclosures**
**Name of related parties and related party relationship**
**Related parties where control exists**

a. Subsidiary companies (read with clause 32 of the listing agreement)	Banco Gaskets (India) Limited-100% Lake Mineral (Mauritius) Limited-100% Nederlandse Radiateuren Fabriek B.V.-100%
b. Indirect subsidiary company (read with clause 32 of the listing agreement)	Kilimanjaro Biochem Limited
c. Company under common control	Banco Aluminium Limited
d. Key Management Personnel	Shri Vimal K.Patel- Chairman and Whole Time Director Shri Mehul K.Patel- Vice chairman and Managing Director Shri Shailesh A.Thakker- Executive Director and Chief Financial Officer Shri Kiran Shetty- Executive Director
e. Relatives of Directors	Mrs. Hasumatiben K.Patel Mr. Kush V.Patel Mrs. Prity V.Patel



**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

Details of related party transactions during the year ended 31st March 2014

<b>Name of Related Party and Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>31<sup>st</sup> March 2014 ₹ In lacs</b>	<b>31<sup>st</sup> March 2013 ₹ In lacs</b>
Banco Aluminium Limited (under common control)	Purchase of goods	559.41	717.84
	Capital assets sold	-	139.72
	Sale of goods (including scrap)	7.88	22.39
	Dividend received	12.40	6.20
	Payment of rent	4.20	4.20
	Receipt of rent	18.00	2.04
	Closing balance	-	-
Mrs Hasumatiben K Patel (relative of director)	Interest paid on deposits	-	0.80
	Closing balance of deposit	-	-
Kilimanjaro Biochem Limited (indirect subsidiary company)	Interest received	185.80	228.45
	Sale of goods	78.52	96.49
	Other reimbursement	-	0.61
	Loan Instalment received during the year	1,005.32	687.39
	Closing balance	1,987.59	2,699.73
Nederlandse Radiateuren Fabriek B.V. (subsidiary company)	Sale of goods	3920.07	3,030.57
	Dividend received	2,380.30	-
	Purchase of goods	18.09	19.17
	Closing balance of (NRF Group)	862.78	522.10
Lake Mineral (Mauritius) Limited (subsidiary Company)	Other reimbursement	18.39	34.51
	Purchase of shares	1,718.61	3,086.75
Mr. Kush V. Patel (relative of Director)	Salary and perquisites	2.06	2.70
Mrs. Pritty V. Patel (relative of Director)	Payment of Rent	-	12.00
Banco Gaskets (India) Ltd (subsidiary Company)	Equity investments	-	2,000.00
	Sale of goods	57.49	84.45
	Purchase of goods	239.68	338.86
	Purchase of assets	0.09	3.28
	Sale of assets	30.94	46.15
	Sale of services	31.67	55.95
	Reimbursement	-	51.27
	Closing Balance	4.76	32.78
Remuneration to Key Management Personnel (including perquisite)	Shri Vimal K.Patel	87.48	102.46
	Shri Mehul K.Patel	115.67	100.86
	Shri Shailesh A.Thakker	71.73	63.68
	Shri Kiran Shetty	55.96	50.91

**31. Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 1,127.12 Lacs  
(31<sup>st</sup> March 2013, ₹ 545.33 Lacs).

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

32. As far as balances of trade payables and trade receivables are concerned, the company has done reconciliation with major parties, pending formal confirmation.
33. In compliance with the Accounting Standard (AS-2) issued by the Institute of Chartered Accountants of India, the company has included excise duty on closing stock of finished goods amounting to ₹ 83.15 Lacs (31<sup>st</sup> March 2013, ₹ 103.63 Lacs) and the same has been claimed as expenditure. However this charge has no impact on the profit of the company for the year under review.

**34. Capitalization of expenditure**

During the year, the company has capitalized the following expenses of revenue nature to Capital Work-in-Progress (CWIP). Consequently, expenses disclosed under respective notes are net of amount capitalized by the Company.

	<b>2013-2014</b> ₹ In lacs	<b>2012-2013</b> ₹ In lacs
Consumable stores	-	60.98
Rent and hiring charges	-	2.80
Repair and maintenance	-	18.83
Others	6.74	69.89
Interest	1.26	27.25
Foreign currency translation loss	-	49.90
	<b>8.00</b>	<b>229.65</b>

35. Maximum balance due during the year from Banco Aluminum Ltd, a company under common control, is ₹ 98.14 Lacs (31<sup>st</sup> March 2013, ₹ 143.02 Lacs)

**36. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006**

	<b>31<sup>st</sup> March 2014</b> ₹ In lacs	<b>31<sup>st</sup> March 2013</b> ₹ In lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at end of each accounting year		
Principal amount due to micro and small enterprise	543.80	489.90
Interest due on above		
	<b>543.80</b>	<b>489.90</b>
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed Day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

37. In compliance with Accounting Standard 22 (AS-22) "Accounting for Taxes on Income", the Company has recognized deferred tax liability (net of assets) arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s).
38. Legal and professional charges include ₹ 5.00 Lacs (P.Y. ₹ 2.50 Lacs) paid to Shah and Associates, wherein some of the partners of the auditors are interested.
39. In the opinion of the management, there are no indications, internal or external which could have the effect of impairment of the assets of the Company to any material extent as at the Balance Sheet date, which requires recognition in terms of Accounting Standard 28 (AS-28) on "Impairment of Assets".

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**40. Value of imports on CIF basis.**

	2013-2014 ₹ In lacs	2012-2013 ₹ In lacs
Raw materials	9,040.73	10,144.05
Components and spares parts	160.34	249.43
Capital goods	326.75	692.03
	<b>9,527.82</b>	<b>11,086.01</b>

**41. Expenditure in foreign currency (accrual basis)**

	2013-2014 ₹ In lacs	2012-2013 ₹ In lacs
Professional fees	2.79	0.08
Commission on exports	588.90	357.25
Travelling and conveyance	19.50	15.64
Others	76.73	286.92
	<b>687.92</b>	<b>659.89</b>

**42. Remittance in foreign currency on account of dividend to non-resident shareholders. The details of dividend paid in respect of shares held by non-residents on repatriation basis are as under:**

	2013-2014	2013-2014	2012-2013
Number of non-resident shareholders	348	356	397
Number of equity share held by them	33,488,422	33,508,582	49,943,467
Amount remitted net of tax (₹ In lacs)	509.98	539.98	749.98
Year to which dividend relates	Interim Div.of FY 2013-2014	2012-2013	2011-2012

**43. Particulars of foreign currency exposures that are not hedged by derivate instruments as on reporting date.**

Currency	Payable (In"000) FC		Receivable (In"000) FC		Payable ₹ In Lacs		Receivable ₹ In Lacs	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
USD	6,659	12,923	9,714	11,977	4,011	7,077	5,851	6,560
EURO	1,139	1,273	2,101	1,904	948	891	1,748	1,334
GBP	-	1	12	13	-	-	12	11
					<b>4,959</b>	<b>7,968</b>	<b>7,610</b>	<b>7,905</b>

**44. Derivative contracts entered into by the company during the year ₹ Nil (P.Y. ₹ Nil lacs) and outstanding as on 31st March, 2014 ₹ Nil (₹ Nil, 31st March 2013)**
**45. Earning in foreign currency**

	2013-2014 ₹ In lacs	2012-2013 ₹ In lacs
Exports at FOB Value	14607.39	12816.56
Interest on loans	358.28	249.63
Others-Tooling	53.01	61.89

**46. The contribution to the equity capital of Lake Cements limited is in the nature of investment.**
**47. Pursuant to the accounting standard AS-19 Lease, the following information is given.**

- The company has given on lease its Dabhasa properties to an associate company for a period of 12 months. The lease rent is payable monthly in advance.
- Future lease rent receivable as at 31st March 2014 as per the lease agreement

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	31 <sup>st</sup> March 2014 ₹ In lacs	31 <sup>st</sup> March 2013 ₹ In lacs
Not later than one year	18.00	15.90
Later than one year and not later than five Years	54.00	-
Later than five years	-	-

48. The Ministry of Corporate Affairs, Government of India, vide general circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
49. Previous year's figures have been regrouped and reclassified wherever necessary to be in conformity with the figures of the current year.

As per our report of even date attached		<b>For and on behalf of the Board,</b>	
<b>For Shah &amp; Co.</b>			
Chartered Accountants			
FRN : 109430W			
<b>Ashish Shah</b>	<b>Dinesh Kavthekar</b>	Mehul K Patel	Vice Chairman & Managing Director
Partner	Company Secretary	Ramkisan Devidayal	Director
Membership No. : 103750		Mukesh D Patel	Director
		Shailesh A Thakker	Executive Director & Chief Financial Officer
Place : Mumbai		Place : Vadodara	
Date : 24 <sup>th</sup> May, 2014		Date : 23 <sup>th</sup> May, 2014	

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF BANCO PRODUCTS (INDIA) LIMITED

We have audited the accompanying consolidated financial statements of Banco Products (India) Limited, ("the Company") and its subsidiaries, which comprise of the consolidated Balance Sheet as at 31 March 2014, the consolidated statement of Profit and Loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("The Act") read with the general circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the consolidated financial statements of the subsidiaries mentioned in the annexure to this report, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31 March, 2014;
- (ii) in the case of consolidated statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of consolidated cash flow statement, of the cash flows for the year ended on that date.

#### Other Matters

We have been furnished with the audited/unaudited accounts of the subsidiaries mentioned in annexure to this report and have relied on the audited/unaudited financials as approved by the Board of Directors of the subsidiaries and our report in so far as it relates to the amounts included in respect of the subsidiary companies is based solely on such approved audited/unaudited consolidated financial statements.

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) on Consolidated Financial Statements as prescribed by the Companies (Accounting Standard's) Rules, 2006.

For Shah & Co. Chartered Accountants  
FRN: 109430W

ASHISH SHAH Partner  
Membership No.: 103750

Mumbai: 24<sup>th</sup> May, 2014

## Annexure to the Auditor's Report - 31<sup>st</sup> March 2014

(Referred to in our report of even date)

The following subsidiaries have been considered for the consolidation of  
Banco Products (India) Limited

(₹ In lakhs)

Name of Company	Accounting Period	Nature of Subsidiary	Total Assets	Total Revenue
Banco Gaskets (India) Limited (Audited)	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Direct	7,557.62	10,078.46
Lake Minerals (Mauritius) Limited (Audited)	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Direct	5,590.38	-
Kilimanjaro Biochem Ltd. (Audited)	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	6,749.01	5,538.78
Nederlandse Radiateuren Fabriek BV (Unaudited)	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Direct	42,161.95	60,460.01
Skopimex BV	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-
NRF France Sarl	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-
NRF BVBA	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-
NRF United Kingdom Ltd	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-
NRF Handelsges. GmbH	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-
NRF Deutschland GmbH	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-
NRF Espana S.A.	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-
NRF Poland Spoz	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-
NRF Italia Srl	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-
NRF Switzerland AG	1 <sup>st</sup> April 2013 - 31 <sup>st</sup> March 2014	Indirect	-	-

**FOR SHAH & CO.**  
CHARTERED ACCOUNTANTS  
FRN: 109430W

**ASHISH SHAH**  
PARTNER  
M. No. 103750

Mumbai: 24<sup>th</sup> May, 2014

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014**

(₹ in Lacs)

PARTICULARS	Note No.	As at 31st March 2014	As at 31st March 2013
<b>I Equity and liabilities</b>			
<b>1 Shareholders' funds:</b>			
Share capital	3	1,430.37	1,430.37
Reserves and surplus	4	57,440.94	45,823.83
		<b>58,871.30</b>	<b>47,254.20</b>
<b>2 Non current liabilities:</b>			
Long term borrowings	5	2,833.10	5,181.41
Deferred tax liabilities	6	2,421.51	2,361.53
Long term provisions	7	240.28	225.44
		<b>5,494.89</b>	<b>7,768.38</b>
<b>3 Current liabilities:</b>			
Short term provisions	8	328.18	1,560.11
Short term borrowings	9	10,980.32	12,342.03
Trade payables	10	9,152.61	7,743.73
Other current liabilities	11	9,793.65	9,107.91
		<b>30,254.76</b>	<b>30,753.79</b>
		<b>94,620.95</b>	<b>85,776.37</b>
<b>II Assets</b>			
<b>1 Non-current assets:</b>			
Fixed assets			
Tangible assets	12	23,911.77	22,904.31
Intangible assets		425.58	334.49
Capital work-in-progress		1,246.29	872.90
		<b>25,583.64</b>	<b>24,111.70</b>
Non-current investments	13	7,047.75	6,165.10
Long-term loans and advances	17	7,102.88	5,968.05
		<b>14,150.63</b>	<b>12,133.15</b>
Deferred tax assets	6	193.48	331.20
		<b>193.48</b>	<b>331.20</b>
<b>2 Current assets:</b>			
Current investments	13	33.25	85.37
Inventories	14	27,467.55	26,172.17
Trade receivables	15	21,352.09	19,317.19
Cash and bank balances	16	2,655.96	1,984.94
Short-term loans and advances	17	3,184.35	1,640.65
		<b>54,693.20</b>	<b>49,200.32</b>
		<b>94,620.95</b>	<b>85,776.37</b>
Summary of significant accounting policies The accompanying notes are an integral part of the financial statements	2		

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Mehul K Patel

Ramkisan Devidayal

Mukesh D Patel

Shailesh A Thakker

Vice Chairman &amp; Managing Director

Director

Director

Executive Director &amp; Chief Financial Officer

Place : Mumbai

Date : 24<sup>th</sup> May, 2014

Place : Vadodara

Date : 23<sup>th</sup> May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2014

(₹ in Lacs)

PARTICULARS	Note No.	2013-14	2012-13
<b>I Revenue from operations (gross)</b>	18	120,835.49	107,445.30
Less :- Excise duty		4,658.44	5,030.97
Revenue from operations (net)		<b>116,177.05</b>	<b>102,414.33</b>
<b>II Other income</b>	19	860.17	884.40
<b>III Total revenue (I+II)</b>		<b>117,037.22</b>	<b>103,298.73</b>
<b>IV Expenses</b>			
Cost of materials consumed	20	60,280.79	56,718.29
Changes in value of finished goods, Work-in-progress and stock-in-trade.	21	(1,934.75)	(3,163.49)
Employee benefit expenses	22	15,753.32	13,774.88
Finance cost	23	1,934.03	1,646.53
Depreciation and amortisation expenses	24	3,236.74	2,889.36
Other expenses	25	25,597.45	23,176.60
<b>Total (IV)</b>		<b>104,867.58</b>	<b>95,042.17</b>
<b>V Profit before tax (III-IV)</b>		<b>12,169.64</b>	<b>8,256.56</b>
<b>Tax expenses</b>			
Current tax		2,990.31	1,795.07
Deferred tax		197.70	331.30
		<b>3,188.01</b>	<b>2,126.37</b>
<b>Profit for the year</b>		<b>8,981.63</b>	<b>6,130.19</b>
<b>Earning per equity share (face value of ₹ 2 each)</b>		12.56	8.57
<b>Basic and diluted earning per shares</b>			
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached  
**For Shah & Co.**  
Chartered Accountants  
FRN : 109430W

**Ashish Shah**  
Partner  
Membership No. : 103750

**Dinesh Kavthekar**  
Company Secretary

**For and on behalf of the Board,**

Mehul K Patel      Vice Chairman & Managing Director  
Ramkisan Devidayal      Director  
Mukesh D Patel      Director  
Shailesh A Thakker      Executive Director & Chief Financial Officer

Place : Mumbai  
Date : 24<sup>th</sup> May, 2014

Place : Vadodara  
Date : 23<sup>th</sup> May, 2014



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2014**

(₹ in Lacs)

	31st March 2014	31st March 2013
<b>Cash flow from operating activities</b>		
<b>Net profit/(loss) before tax</b>	<b>12,169.64</b>	<b>8,256.57</b>
Adjustments for non cash items/items required to be disclosed separately:		
Depreciation and amortisation expenses	3,236.74	2,889.36
Interest and finance charges paid	1,934.03	1,335.99
Unrealised (gain)/loss (net of loss)	84.93	-
(Profit)/loss on sale of fixed assets	(11.48)	(314.82)
(Profit)/loss on sale of investment	-	(1.03)
Provision for dimunition of investment	-	6.77
Interest received	(423.70)	(90.34)
Effect of exchange rate difference in translation	2,842.08	251.26
Dividend income received from investment	(15.71)	(11.61)
<b>Operating profit before working capital changes</b>	<b>19,816.53</b>	<b>12,322.13</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in trade receivables	(2,164.50)	(1,518.83)
(Increase)/decrease in inventories	(1,295.38)	(4,642.81)
(Increase)/decrease in loans and advances	(682.53)	(818.48)
Increase/(decrease) in provisions	(1,381.88)	(18.78)
Increase/(decrease) in other current liabilities	689.30	4,992.76
Increase/(decrease) in trade payables	1,456.53	982.82
<b>Cash generated from operations</b>	<b>16,438.07</b>	<b>11,298.82</b>
Direct tax paid (net of refunds)	(3,373.24)	(1,549.53)
<b>Net cash flow from operating activities (A)</b>	<b>13,064.83</b>	<b>9,749.29</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets (net of currency translation)	(4,728.92)	(4,197.23)
Sale of fixed assets	31.72	402.69
Purchase of investments.	-	(2,456.06)
Sale of current investment	52.12	117.52
Loan given	-	(4,370.35)
Dividend income received from investment	15.71	11.61
Interest received	419.82	107.46
<b>Net cash flow from investing activities (B)</b>	<b>(4,209.56)</b>	<b>(10,384.36)</b>
<b>Cash flow from financing activities</b>		
Dividend paid	(2,503.17)	(1,787.97)
Income tax (dividend distribution tax) paid on dividend	(30.47)	(290.05)
Interest and finance charges paid	(1,940.58)	(1,246.99)
Proceed/(repayment) in long-term borrowings	(2,348.31)	(3,468.68)
Proceed/(repayment) in short-term borrowings	(1,361.71)	5,825.41
<b>Net cash used in financing activities (C)</b>	<b>(8,184.25)</b>	<b>(968.28)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>671.02</b>	<b>(1,603.34)</b>
Cash and cash equivalents at the beginning of the year	1,984.94	3,588.28
<b>Cash and cash equivalents at the end of the year</b>	<b>2,655.96</b>	<b>1,984.94</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	41.04	34.60
With banks		
- In current accounts	2,008.14	1,823.74
- In deposit accounts	68.68	13.07
	<b>2,117.86</b>	<b>1,871.41</b>
Summary of significant accounting policies		

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Mehul K Patel

Ramkisan Devidayal

Mukesh D Patel

Shailesh A Thakker

Vice Chairman &amp; Managing Director

Director

Director

Executive Director &amp; Chief Financial Officer

Place : Mumbai

Date : 24<sup>th</sup> May, 2014

Place : Vadodara

Date : 23<sup>th</sup> May, 2014

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

### 1. Principles of consolidation

The consolidated financial statements relate to Banco Products India Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, and intra-group balances and intra-group transactions are fully eliminated in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.

- 1.1 Foreign subsidiary companies are categorized as 'non-integral foreign operation. Accordingly, all income and expense items are translated at the average rate prevailing during the period and all assets and liabilities, both monetary and non-monetary, are translated at the closing rate. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve account in accordance with Accounting Standard (AS) 11 – Effect of Changes in Foreign Exchange Rates.
- 1.2 The difference between the costs of investment in the subsidiary companies over the net assets at the time of acquisition of shares in the subsidiary companies is recognised in the financial statements as goodwill or capital reserve as the case may be.
- 1.3 As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's standalone financial statements.
- 1.4 The audited/unaudited financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company viz. 31<sup>st</sup> March, 2014.
- 1.5 The audited/unaudited financial statements of subsidiary companies have been prepared in accordance with the generally accepted accounting principal (GAAP) of its country of incorporation. The difference between accounting policies of the company and its subsidiary companies are not material.
- 1.6 The Ministry of Corporate Affairs, Government of India, vide general circular No. 2 and 3 dated 8<sup>th</sup> February 2011 and 21<sup>st</sup> February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions specified in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to exemption. Necessary information relating to the subsidiaries has been included in the consolidated financial statements.
- 1.7 The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the subsidiary companies	Country of incorporation	Proportion of ownership Interest	Reporting date (date till accounts have been audited)
1	Nederlandse Radiatoren Fabrik BV	Netherlands	100%	30 <sup>th</sup> November, 2013
1.1	Skopimex BV	Netherlands	100%	30 <sup>th</sup> November, 2013
1.2	NRF France Sarl	France	100%	30 <sup>th</sup> November, 2013
1.3	NRF BVBA	Belgium	100%	30 <sup>th</sup> November, 2013
1.4	NRF United Kingdom Ltd	England	100%	30 <sup>th</sup> November, 2013
1.5	NRF Handelsges. GmbH	Austria	100%	30 <sup>th</sup> November, 2013
1.6	NRF Deutschland GmbH	Germany	100%	30 <sup>th</sup> November, 2013
1.7	NRF Espana S.A.	Spain	100%	30 <sup>th</sup> November, 2013
1.8	NRF Poland Spoz	Poland	100%	30 <sup>th</sup> November, 2013
1.9	NRF Italia Srl	Italy	100%	30 <sup>th</sup> November, 2013
1.10	NRF Switzerland AG	Switzerland	100%	30 <sup>th</sup> November, 2013
	Note : Sr. No.1.1 to 1.10 are subsidiaries of Nederlandse Radiatoren Fabrik BV			
2	Lake Mineral (Mauritius) Ltd.	Mauritius	100%	31 <sup>st</sup> March, 2014
2.1	Kilimanjaro Biochem Ltd.	Tanzania	95%	31 <sup>st</sup> March, 2014
	Note : Sr. No. 2.1 is Subsidiary of Lake Mineral (Mauritius) Ltd.			
3	Banco Gaskets(India) Ltd.	India	100%	31 <sup>st</sup> March, 2014

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

### 2. Significant accounting policies

#### 2.1 Basis of accounting

- i) The financial statements have been prepared under the historical cost convention (except for certain fixed assets, which have been revalued) in accordance with the generally accepted accounting principles to comply with the applicable Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- iii) Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements.

#### 2.2 Fixed assets and depreciation

- i) In respect of Banco Products (India) Limited

Fixed assets are stated at cost (net of cenvat/service tax credit wherever claimed) less accumulated depreciation less impairment, if any, other than land and building at Bhaili division which are shown at revalued cost. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to its working condition for its intended use including borrowing cost and incidental expenditure incurred up to the date the assets are ready for its intended use.

Depreciation on plant & machinery (except electrical installations), computers, laboratory equipments, machine tools and effluent treatment plant purchased on or after 1<sup>st</sup> October, 1982 has been provided on straight line basis and on other assets on written down value basis at the rates specified in schedule XIV of the Companies Act, 1956. Individual items of fixed assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

Leasehold land is amortized over the period of lease.

Technical know-how recognized as intangible asset was stated at the consideration paid for acquisition and amortised on straight-line basis at plant & machinery rates.

License fees on software are amortised on straight line basis on rates of computer.

- ii) In respect of Banco Gaskets (India) limited

Depreciation on fixed assets except Plant and Machinery is provided on written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on Plant and machinery including computers is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions to the fixed assets are provided on pro-rata basis from the date on which put to use. Assets costing ₹ 5000/- or less are depreciated fully in the year of purchase.

Intangible assets are amortized over the period of five years.

- iii) In respect of Nederlandse Radiateurs Fabrik B.V., the annual depreciation rates are as follows:

Buildings	: 2.50%
Plant & Machinery	: 10%-20%
Other operating Fixed Assets	: 20%-33.1/3%

- iv) In respect of Kilimanjaro Biochem Limited, The annual depreciation rates are as follows:

Buildings & Civil Works	: 5%
Plant & Machinery	: 10%
Motor Vehicles	: 20%
Office Equipments	: 25%
Furniture & Fittings	: 25%
Computers	: 25%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

Balance in pre-operative expenses as on 1<sup>st</sup> April 2013 was ₹115.37 lacs. Out of this ₹ 3.25 lacs has been written off during the year and grouped in miscellaneous expenses. Balance of ₹ 112.12 lacs has been shown under current assets as on 31<sup>st</sup> March 2014.

### 2.3 Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss, if any, recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 2.4 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year-end are translated at the year-end rates. Any exchange differences arising on settlement/transaction are dealt with in the Statement of Profit and Loss except those relating to acquisition of fixed assets, which are adjusted to the cost of the asset.

### 2.5 Investments

Non-current investments are stated at cost. No provision for diminution in value, if any, has been made as these are long-term investments and in the opinion of the management any decline is temporary. Current investments are stated at lower of cost and fair value.

### 2.6 Inventories

- i) Raw materials, stores & spares, packing materials, work in progress and finished goods are valued at lower of cost or net realizable value. Damaged, unserviceable and inert stocks are suitably depreciated.
- ii) In determining cost of raw materials, stores & spares and packing materials weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties and taxes other than those subsequently recoverable from tax authorities.
- iii) Cost of finished products and work-in-process include the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and excise duty as applicable on the finished goods.

### 2.7 Retirement benefits

The company has defined contribution plan for its employee's retirement benefits comprising of provident fund. The Company contributes to provident fund for its employees. The Company has defined benefit plan comprising of gratuity fund and leave encashment entitlement. The liability for the gratuity fund and leave encashment has been determined on the basis of an independent actuarial valuation done at the year-end. Actuarial gains and losses comprise adjustments and the effect of changes in the actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expense. Contribution in respect of gratuity is paid to the Life Insurance Corporation of India (LIC).

### 2.8 Research and development

Capital expenditure related to scientific research is shown separately under the respective head of fixed assets.

Revenue expenses including depreciation are charged to the Statement of Profit and Loss.

### 2.9 Revenue Recognition

- i) Sale of products are recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are net of returns and discounts and exclude sales tax, excise duty and other charges.
- ii) Interest income is accounted on accrual basis/time proportionate basis at contractual rates
- iii) Divided income is considered on receipt basis.

In respect of **Nederlandse Radiateuren Fabriek B.V.**, Income from the supply of goods is recognised as soon as all substantial rights and risks relating to the title of the goods are transferred to the customer.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014****2.10 Provision for current and deferred tax**

Provision for current tax is made after taking into consideration the deduction allowable under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from 'timing difference' between book and taxable profit is accounted by using the tax rate that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax liability is provided in the statement of profit and loss. Deferred tax assets are recognised only if there is reasonable certainty that the assets can be realized in future.

**2.11 Borrowing costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of the asset. Other borrowing cost is recognised as an expense in the period in which they are incurred.

**2.12 Export Incentives**

Export incentives in respect of export made under duty drawback scheme as per the import export policy is recognised on accrual basis and to the extent of certainty of realization of ultimate collection.

**2.13 Provisions, contingent liabilities and contingent assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognised are disclosed by way of notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**2.14 Trade receivables**

Trade receivables are stated after writing off debts considered as bad. Provision is made for debts considered as doubtful, if any. Discounts due yet to be quantified at the customer level are included under the head "Current Liabilities and provisions".

**2.15 Earning per share**

The basic and diluted earning per share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**2.16 Proposed dividend**

Dividend recommended by Board of Directors is provided for in the accounts, pending approval at Annual General Meeting.

**2.17 Lease accounting**

Lease rental income is accounted on accrual basis in accordance with the lease agreement.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**3. Shareholders' funds**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Authorised share capital</b>		
1520 lacs of Equity shares (P.Y. 1520 lacs of equity shares) of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and fully paid up</b>		
715.19 lacs Equity shares (P.Y. 715.19 lacs) of ₹ 2 each	1,430.37	1,430.37
<b>Total issued, subscribed and fully paid up share capital</b>	<b>1,430.37</b>	<b>1,430.37</b>

**3.1 A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

	No. of Share in Lacs	Share Capital ₹ In Lacs
Balance as of 1st April 2013	715.19	1,430.37
Addition during the year	-	-
Deletion during the year	-	-
<b>Balance as of 31st March 2014</b>	<b>715.19</b>	<b>1,430.37</b>

**3.2 Terms/rights attached to each equity share**

The company has one class of equity shares having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

**3.3 Shares held by holding, subsidiary and other associated companies as of 31st March 2014 are as under**

	No. of shares	Extent of Holding
Share held by holding company or ultimate holding company	-	-
Share held by subsidiary company or ultimate subsidiary company	-	-

**3.4 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Equity shares of ₹ 2 each allotted as fully paid up bonus shares by capitalizing general reserve	590.95	590.95
Equity shares of ₹ 2 each allotted as fully paid up in terms of amalgamation without payment being received in cash.	99.45	99.45

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

### 3.5 Share in the company held by each shareholder holding more than 5% shares specifying the no. of shares

Name of Shareholder	As at 31st March 2014 No. in Lacs (Holding in %)	As at 31st March 2013 No. in Lacs (Holding in %)
1 Vimal K.Patel	55.73 (7.79%)	55.73 (7.79%)
2 Samir K.Patel	50.17 (7.01%)	49.59 (6.93%)
3 Mehul K.Patel	56.15 (7.85%)	56.05 (7.84%)
4 Overseas Pearl Limited	269.10 (37.63%)	269.10 (37.63%)

### 4. Reserves and surplus

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Capital reserve</b>		
At the beginning of the year and at the end of the year	0.77	0.77
	<b>0.77</b>	<b>0.77</b>
<b>Revaluation reserve</b>		
At the beginning of the year	61.48	23.70
Add:- Addition during the year	-	40.63
Less: Amount transferred to the statement of profit and loss as reduction from depreciation	(7.34)	(2.85)
<b>At the end of the year</b>	<b>54.14</b>	<b>61.48</b>
<b>Security premium reserve</b>		
At the beginning of the year and at the end of the year	1,200.31	1,200.31
	<b>1,200.31</b>	<b>1,200.31</b>
<b>General reserve</b>		
At the beginning of the year	10,160.81	9,560.81
Add: Amount transferred from the statement of profit and loss	700.00	600.00
At the end of the year	<b>10,860.81</b>	<b>10,160.81</b>
<b>Capital reserve on acquisition</b>	<b>9,617.24</b>	<b>9,617.24</b>
<b>At the beginning of the year and at the end of the year</b>	<b>9,617.24</b>	<b>9,617.24</b>
<b>Translation adjustment reserve</b>		
At the beginning of the year	207.86	(43.40)
Adjustment during the year	3,921.32	251.26
<b>At the end of the year</b>	<b>4,129.18</b>	<b>207.86</b>
<b>Surplus in statement of profit and loss</b>		
At the beginning of the year	24,575.37	20,551.31
Add: reversal of exceeds dividend distribution tax provision	189.26	-
Net profit after tax for the year	8,981.63	6,130.19
<b>Less : Appropriations &amp; Other Adjustments</b>		
Proposed dividend	(214.56)	(1,287.35)
Tax on final dividend	(36.46)	(218.79)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Interim dividend paid during the year	(1,215.82)	-
Tax on interim dividend	(0.94)	-
Transferred to general reserve	(700.00)	(600.00)
<b>At the end of the year</b>	<b>31,578.48</b>	<b>24,575.37</b>
	<b>57,440.94</b>	<b>45,823.83</b>

**5. Long term borrowings**

	<b>As at 31st March 2014 ₹ In Lacs</b>	<b>As at 31st March 2013 ₹ In Lacs</b>
<b>Bank loans</b>		
Foreign currency secured term loan from bank (refer note 5.1)	3,726.73	4,874.51
Less: current portion of long-term borrowing	(1,656.32)	(1,499.85)
Loans from bank (refer note 5.2)	1,293.07	2,045.25
Less: current portion of long-term borrowing	(752.88)	(1,363.50)
Indian rupees secured term loan from bank # (refer note 5.3)	1,229.00	2,125.00
Less: current portion of long-term borrowing	(1,006.50)	(1,000.00)
	<b>2,833.10</b>	<b>5,181.41</b>

- 5.1** Foreign currency term loan carries interest@ 3M LIBOR plus 2%. The loan is repayable within 4 years on quarterly installments. The loan is secured hypothecation of specific movable assets of the company by way of first charge.
- 5.2** Bank loan of US\$ 50 lacs carries interest @ 3M LIBOR Plus 2%. The loan is repayable within 3 years on quarterly installments.
- 5.3** Indian rupees term loan outstanding of ₹ 500 lacs from bank carries interest base plus 105 bps p.a. The loan is repayable within 2 years on quarterly installments, from the date of loan, viz. 30th January 2013. The loan is secured by hypothecation of specific movable assets of the company by way of first charge.
- 5.4** Indian rupees term loan outstanding of ₹ 104.00 Lacs from bank carries interest base plus 100 bps p.a. The Loan is repayable in 5 years including moratorium of 12 months from the date of 1st disbursement with repayment in 16 equal quarterly installments thereafter. The loan is secured by 1st Exclusive charge on specific Plant & Machinery of the company.

**6. Deferred tax liability (net)**

	<b>As at 31st March 2014 ₹ In Lacs</b>	<b>As at 31st March 2013 ₹ In Lacs</b>
<b>Deferred tax liability</b>		
Fixed assets : impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	(2,421.51)	(2,361.53)
	<b>(2,421.51)</b>	<b>(2,361.53)</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	193.48	331.20
	<b>193.48</b>	<b>331.20</b>
<b>Closing net deferred tax liability</b>	<b>(2,228.02)</b>	<b>(2,030.33)</b>
Opening net deferred tax liability	(2,030.33)	1,699.03
Charged to statement of profit and loss	(197.70)	(331.30)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**7. Long term provisions**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Provision for gratuity (net of fund investment)	110.46	110.26
Provision for leave encashment	129.82	115.18
	<b>240.28</b>	<b>225.44</b>

**8. Short term provisions**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Provision for gratuity (net of fund investment)	68.86	46.32
Provision for leave encashment	8.30	7.65
Provision for proposed equity dividend	214.56	1,287.35
Tax on proposed equity dividend	36.46	218.79
	<b>328.18</b>	<b>1,560.11</b>

**9. Short term borrowings**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Secured</b>		
Cash credit from banks	571.98	1,281.04
Short-term loan from banks	2,311.53	2,350.00
Foreign currency loan-buyer's credit	-	800.00
Foreign currency loan-packing credit	-	671.90
<b>Unsecured</b>		
Foreign currency loan-packing credit	416.00	1,245.80
Foreign currency loan-buyer's credit	-	370.27
8.25% Optionally fully convertible debentures	-	520.48
Short-term loan from banks	7,680.81	5,102.54
	<b>10,980.32</b>	<b>12,342.03</b>

- i) Cash credit loans are secured against first charge on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating scheduled banks.
- ii) Short term loans from bank carries interest rate @ 9 % to 12% p.a. during the year.
- iii) Foreign currency buyer credit and packing credits are repayable within 90 to 180 days and carries interest @ LIBOR plus 2% to 3%.

**10. Trade payables**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Due to micro small and medium enterprises	664.45	628.32
Due to others	8,488.16	7,115.41
	<b>9,152.61</b>	<b>7,743.73</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

## 11. Other current liabilities

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Current maturities of long-term debt	3,415.70	3,863.35
Statutory liabilities		
- VAT/CST payable	168.96	601.30
- TDS payable	17.28	12.89
- Provident fund payable	4.72	12.47
- Professional tax payable	16.33	0.91
Interest accrued but not due on borrowings	81.51	88.06
Other payables	5,735.91	4,187.33
Unpaid dividend	113.10	113.53
Advance received from customers	240.14	228.07
	<b>9,793.65</b>	<b>9,107.91</b>

## 12 Fixed Assets

(₹ in Lacs)

	GROSS BLOCK						DEPRECIATION/AMORTIZATION					NET BLOCK		
	As at 1 April 2013	Additions	Revalu- ation Reserve	Transl- ation Difference	Deduction Others	As at 31 March 2014	As at 1 April 2013	Additions	Transl- ation Difference	Deduction Others	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013	
I Tangible Assets														
a. Leasehold Land	869.96 (872.12)	-	-	-	-	869.96 (869.96)	18.94 (10.15)	8.79 (8.79)	-	-	27.73 (18.94)	842.23 (851.02)	851.02 (861.97)	
b. Freehold Land	910.55 (867.70)	148.24 (13.06)	-	81.07 (51.05)	-	1,139.85 (910.53)	0.09 (0.09)	-	-	-	0.09 (0.09)	1,139.76 (910.44)	910.46 (867.61)	
c. Buildings	12,418.31 (9,492.02)	683.64 (1,995.81)	-	1,494.02 (953.05)	58.29 (22.57)	14,537.68 (12,418.31)	6,506.56 (5,381.50)	419.70 (407.86)	1,047.53 (717.20)	-	7,973.79 (6,506.56)	6,563.89 (5,911.75)	5,911.75 (4,110.52)	
d. Plant and Equipments	36,998.06 (32,541.42)	1,151.79 (3,223.92)	(40.63)	3,624.31 (2,075.07)	1,012.34 (882.96)	40,761.83 (36,998.08)	22,949.92 (19,506.56)	2,502.91 (2,108.15)	3,114.61 (2395.82)	1,702.69 (1,060.61)	26,864.76 (22,949.93)	13,897.07 (14,048.15)	14,048.14 (13,034.86)	
e. Furniture & Fixtures	248.30 (144.00)	24.85 (117.17)	-	3.26 (5.43)	(0.43) (7.45)	276.84 (248.29)	106.91 (69.39)	39.84 (37.13)	1.21 (0.93)	(0.06) (0.55)	148.01 (106.91)	128.83 (141.39)	141.39 (74.61)	
f. Vehicles	806.03 (724.26)	152.85 (104.95)	-	54.31 (275.83)	10.37 (53.67)	1,002.81 (499.72)	297.70 (332.09)	137.84 (90.91)	22.05 (17.67)	29.34 (43.29)	428.25 (362.04)	574.56 (137.68)	508.32 (392.17)	
g. Office equipment	3,004.16 (2,540.70)	9.10 (118.49)	-	518.16 (649.77)	36.64 (1.52)	3,494.78 (3,310.48)	2,708.03 (2,132.56)	19.92 (169.25)	458.99 (341.86)	174.08 (0.03)	3,012.86 (2,643.70)	481.92 (666.78)	296.14 (408.14)	
h. Scientific Research														
1 Building	85.25 (85.25)	-	-	-	-	85.25 (85.25)	47.27 (42.87)	3.80 (4.40)	-	-	51.07 (47.27)	34.18 (37.98)	37.98 (42.38)	
2 Plant and Equipments	270.31 (257.46)	74.37 (12.85)	-	-	-	344.68 (270.31)	144.41 (125.33)	25.93 (19.08)	-	-	170.34 (144.41)	174.34 (125.90)	125.90 (132.13)	
3 Software	57.60 (31.87)	3.12 (25.73)	-	-	-	60.72 (57.60)	16.07 (12.03)	10.66 (4.04)	-	-	26.73 (16.07)	33.99 (41.53)	41.53 (19.84)	
4 Furniture and Fixture	4.29 (3.44)	- (0.85)	-	-	-	4.29 (4.29)	2.47 (1.71)	0.38 (0.76)	-	-	2.85 (2.47)	1.44 (1.82)	1.82 (1.73)	
5 Others	20.75 (19.27)	- (1.48)	-	-	-	20.75 (20.75)	13.00 (11.51)	1.40 (1.49)	-	-	14.40 (13.00)	6.35 (7.75)	7.75 (7.76)	
i. Others assets	43.70 (34.19)	14.90 (3.45)	-	-	0.43 (6.06)	58.17 (43.70)	21.58 (19.85)	3.44 (3.18)	-	0.06 (1.46)	24.96 (21.57)	33.21 (22.13)	22.12 (14.34)	
II Intangible Assets														
a. Technical Knowhow	39.36 (39.36)	106.86	-	4.37	-	150.59 (39.36)	7.88 (0.01)	7.86 (7.87)	-	-	15.74 (7.88)	134.85 (31.48)	31.48 (39.35)	
b. Software	395.30 (144.13)	32.90 (180.99)	-	21.34 (70.11)	-	449.53 (395.30)	92.29 (61.52)	61.60 (29.31)	4.91 (1.45)	-	158.80 (92.29)	290.73 (303.01)	303.01 (82.61)	
Total	56,171.92	2,402.60	-	5,800.84	1,117.64	63,257.72	32,933.11	3,244.08	4,649.29	1,906.11	38,920.37	24,337.35	23,238.80	
Previous year	(47,797.19)	(5,798.75)	(40.63)	(3,515.63)	(980.28)	(56,171.92)	(27,707.17)	(2,892.21)	(3,439.59)	(1,105.87)	(32,933.11)	(23,238.80)		

## Notes-

- The Company has acquired leasehold land on 16th December 2010 on lease for 99 years. The amortization per year on the same is ₹ 8.79 lacs (Previous Year ₹ 8.79 lacs).
- The borrowing cost capitalised during the year ended 31 March 2014 was ₹ Nil lacs. (Previous Year ₹ 27.25 lacs).
- Other Assets include Weighing Machine, Air Conditioner and other Equipments.
- Figure in bracket represent previous year figure.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**13. Non current investments (long term investments)**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Unquoted fully paid equity instrument in common control enterprises</b>		
6,20,080 (P.Y.6,20,080) Equity shares in Banco Aluminium Ltd.	25.35	25.35
	<b>25.35</b>	<b>25.35</b>
<b>Other investments</b>		
1,78,596 (P.Y.1,78,596) Equity shares of TShs 1,00,000 fully paid each in Lake Cement Ltd	7,022.15	6,139.50
1,000 (P.Y.1,000 ) Equity shares of ₹ 25 each fully paid Co-Operative Bank of Baroda	0.25	0.25
	<b>7,022.40</b>	<b>6,139.75</b>
	<b>7,047.75</b>	<b>6,165.10</b>
<b>Current investments (short term investments)</b>		
<b>Investment in equity and other instruments (quoted) (fully paid up)</b>		
6,588 (P.Y.6,588) India Motor Parts & Accessories Limited. of ₹10 each	3.14	3.14
1,32,700 (P.Y.1,32,700) Swiss Glasscoat Equipment Limited. of ₹ 10 each	13.38	13.38
511 (P.Y.511) NHPC Limited of ₹ 10 each	0.18	0.18
787 (P.Y.787) Oil India Limited of ₹ 10 each	3.31	3.31
400 (P.Y.400) Perfect Circle Victor Limited of ₹ 1 each	0.01	0.01
17 (P.Y.17) Talbros Eng Limited of ₹10 each having total value of ₹ 426/-	0.004	0.004
Nil (P.Y. 5) 10.5% Non convertible Debentures of Tata Housing Development Ltd of ₹ 10,00,000 each	-	52.12
	<b>20.02</b>	<b>72.14</b>
<b>Investment in mutual fund-quoted, fully paid up</b>		
2,00,000 (P.Y. 2,00,000) Baroda Pioneer PSU Equity Fund of ₹ 10 each	20.00	20.00
Less :- Provision for diminution of Investment	(6.77)	(6.77)
	<b>13.23</b>	<b>13.23</b>
	<b>33.25</b>	<b>85.37</b>
<b>Market value of quoted investments</b>		
Equity investments	83.77	83.10
Others	13.42	13.24
	<b>97.19</b>	<b>96.34</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**14. Inventories (at lower of cost or net realisable value)**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
Raw materials	11,245.47	11,110.34
Work-in-progress	2,845.29	3,224.13
Finished goods	12,363.76	10,060.71
Stores and spares	771.71	1,524.55
Loose tools	11.96	58.36
Packing materials	229.36	194.08
	<b>27,467.55</b>	<b>26,172.17</b>

**15. Trade receivables**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	366.41	396.73
	<b>366.41</b>	<b>396.73</b>
Provision for doubtful receivables	-	-
<b>(A)</b>	<b>366.41</b>	<b>396.73</b>
<b>Other receivables</b>		
Unsecured, considered good	20,985.68	19,116.19
	<b>20,985.68</b>	<b>19,116.19</b>
Provision for doubtful receivables	-	(195.73)
<b>(B)</b>	<b>20,985.68</b>	<b>18,920.46</b>
<b>(A+B)</b>	<b>21,352.09</b>	<b>19,317.19</b>

**16. Cash and bank balances**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Cash and cash equivalents</b>		
Cash on hand	41.04	34.60
<b>Balances with banks</b>		
In current accounts	2,008.14	1,823.74
In other accounts	-	0.01
<b>Other bank balances</b>		
Deposits with maturity for more than 12 months	425.00	-
Margin money with banks	68.68	13.06
Unpaid dividend	113.10	113.53
	<b>2,655.96</b>	<b>1,984.94</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**17. Loans and advances (Long Terms and Short Terms)**

	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>Capital advances</b>		
Unsecured, considered good	732.46	276.68
<b>Security deposit</b>		
Unsecured, considered good	12.78	0.69
<b>Loans and advances</b>		
Other loans	5,945.24	4,370.35
Advance tax (net of provision for taxation)	412.40	795.33
Fixed deposits with more than 12 month maturity	-	525.00
	<b>7,102.88</b>	<b>5,968.05</b>
<b>Short term loans and advances</b>		
	As at 31st March 2014 ₹ In Lacs	As at 31st March 2013 ₹ In Lacs
<b>(Unsecured, considered good)</b>		
Security deposit	26.40	86.70
Current maturities of loan	707.70	-
<b>Others loans and advances</b>		
Balance with statutory authorities	370.45	338.20
Prepaid expenses	1,039.88	405.13
Interest receivable on deposits	44.46	32.28
Advance to vendors (trade)	730.61	577.12
Other advances	264.85	201.23
	<b>3,184.35</b>	<b>1,640.66</b>

**18. Revenue from operations**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
<b>Sale of products</b>		
Finished goods	119,053.69	105,883.29
Less : Excise duty	4,658.44	5,030.97
	<b>114,395.26</b>	<b>100,852.32</b>
Scrap sales	1,559.31	1,466.51
Export incentives	222.48	95.50
	<b>1,781.79</b>	<b>1,562.01</b>
	<b>116,177.05</b>	<b>102,414.32</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**19. Other income**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
<b>Interest income</b>		
- bank deposits	51.42	55.41
- current investments	3.55	11.76
- others	368.73	23.17
Profit on sale of assets (net)	2.95	314.82
Exchange gain	193.58	43.51
<b>Dividend income on</b>		
- Other investments	15.71	11.61
Other non operating income	224.23	424.12
	<b>860.17</b>	<b>884.40</b>

**20. Cost of materials consumed**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Inventory at the beginning of the year	11,304.42	9,892.67
Add : Purchases (net) during the year	60,440.67	58,222.23
	<b>71,745.09</b>	<b>68,114.90</b>
Less : Inventory at the end of the year	11,474.84	11,304.42
Cost of materials consumed	<b>60,280.79</b>	<b>56,718.29</b>

**21. Change in inventories of finished goods, work-in-progress and stock-in-trade.**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
<b>Inventories at the end of the year</b>		
Semi-finished inventories	2,845.29	3,224.13
Finished goods	12,363.76	10,060.70
	<b>15,209.05</b>	<b>13,284.83</b>
<b>Inventories at the begining of the year</b>		
Semi-finished inventories	3,224.13	2,628.72
Finished goods	10,060.70	7,400.43
	<b>13,284.83</b>	<b>10,029.15</b>
<b>Changes in inventories</b>	(1,924.22)	(3,255.68)
<b>Increase/(Decrease) in excise duty on Finished Goods</b>	(10.53)	92.19
	<b>(1,934.75)</b>	<b>(3,163.49)</b>

**22. Employee benefit expenses**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Salaries wages and bonus	14,172.15	12,580.17
Company's contribution to gratuity	57.22	74.15
Company's contribution to leave encashment	55.77	43.83
Contribution to provident and other fund	1,075.38	890.88
Staff welfare expenses	392.80	185.86
	<b>15,753.32</b>	<b>13,774.89</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**23. Finance cost**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Interest on loans	1,150.13	1,087.38
Interest-Others	14.80	25.66
Loss on foreign currency traslation	485.00	310.54
Finance charges	284.10	222.95
	<b>1,934.03</b>	<b>1,646.53</b>

**24. Depreciation and amortization expenses**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Depreciation on tangible assets	3,174.62	2,855.03
Deprecation on intangible assets	69.46	37.18
	<b>3,244.08</b>	<b>2,892.21</b>
Less : Recoupment from revaluation reserve	(7.34)	(2.85)
	<b>3,236.74</b>	<b>2,889.36</b>

**25. Other expenses**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
Consumption of stores and spares	1,092.58	1,182.72
Power and fuel	2,150.86	1,898.03
Labour charges	6,688.98	6,022.85
Repair and maintenance		
Plant and machinery	1,328.32	1,502.17
Electric installation	91.67	137.66
Buildings	600.10	427.78
Sundry repairs	0.62	3.49
Factory general expenses	586.79	345.49
Insurance premium on assets	66.02	69.36
Payment to auditors (refer note 25.1)	80.77	56.67
Rent rates and taxes	767.03	658.79
Postage and courier	54.55	36.01
Telephone expenses	210.49	188.32
Travelling and conveyance	1,076.72	981.02
Director Sitting fees	2.95	3.08
Miscellaneous expenses	816.02	796.26
Donation	13.20	2.44
Loss on sale of assets	0.63	2.71
Insurance	130.30	112.51
Commission and discount	4,594.73	3,577.31
Advertisement and sales promotion	498.62	422.60
Other selling expenses	433.93	658.86
Provision for doubtful debts	9.84	192.35
Provision for dimuniation of investment	-	6.77
Freight and transport (net)	4,301.73	3,891.34
	<b>25,597.45</b>	<b>23,176.61</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**25.1 Payment to auditor**

	2013-2014 ₹ In Lacs	2012-2013 ₹ In Lacs
<b>As auditor :</b>		
Statutory audit fee	61.24	50.66
<b>In other capacity:-</b>		
Other services (certification fees)	17.25	6.68
Out of Pocket expenses	2.28	5.83
	<b>80.77</b>	<b>63.17</b>

- 26) Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 1235.24 Lacs (31<sup>st</sup> March 2013, ₹ 567.30 Lacs).

**27) Contingent liabilities.**

	31 <sup>st</sup> March 2014 ₹ In Lacs	31 <sup>st</sup> March 2013 ₹ In Lacs
- Service tax and excise duty demand	329.64	338.06
- Sales tax	41.38	55.81
- Letter of credit outstanding	318.81	125.54
- Counter guarantees given to the banks in respect of various Guarantees issued by the banks to third parties	1856.59	3019.71
- Claims from employees and former employees amount uncertainable	-	-
- Other claims against the company not acknowledged as debts amount uncertainable	-	-

The company is contesting the demands and the management, including its tax advisor, believes that its position is likely to be upheld in the appellate process. No tax expenses have been accrued in the financial statements for the demands raised as above. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and result of operations.

- 28) In compliance with the Accounting Standard (AS-2) issued by the Institute of Chartered Accountants of India, the company has included excise duty on closing stock of finished goods amounting to ₹ 148.23 Lacs (31<sup>st</sup> March 2013, ₹ 103.63 Lacs) and the same has been claimed as expenditure. However this charge has no impact on the profit of the company for the year under review.
- 29) Maximum balance due during the year from Banco Aluminum Ltd, a company under common control, is ₹ 98.14 Lacs (31<sup>st</sup> March 2013, ₹ 143.02 Lacs)

**30) Related Party Disclosures**
**Name of related parties and related party relationship**
**Related parties where control exists**

- |      |  |   |
|------|--|---|
| i.   | Subsidiary Company<br><i>(read with clause 32 of the listing agreement)</i>          | Banco Gaskets (India) limited – 100%<br>Lake Mineral (Mauritius) Limited- 100%<br>Nederlandse Radiateuren Fabriek B.V. -100%  |
| ii.  | Indirect Subsidiary Company<br><i>(read with clause 32 of the listing agreement)</i> | Kilimanjaro Biochem Limited   |
| iii. | Company Under common control   | Banco Aluminium Limited   |
| iv.  | Key Management Personnel   | Shri Vimal K.Patel- Chairman and Whole Time Director<br>Shri Mehul K.Patel- Vice chairman and Managing Director<br>Shri Shailesh A.Thakker- Executive Director and Chief Financial Officer<br>Shri Kiran Shetty- Executive Director |



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**v. Relatives of Directors**

Mrs. Hasumatiben K.Patel

Mr. Kush V.Patel

Mrs. Pritty V.Patel

**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

Name of Related Party and Nature of Relationship	Nature of Transaction	31 <sup>st</sup> March 2014 ₹ In lacs	31 <sup>st</sup> March 2013 ₹ In lacs
Banco Aluminium Limited (under common control)	Purchase of goods	559.41	717.84
	Capital assets sold	-	139.72
	Sales of goods (including scrap)	7.88	22.39
	Dividend received	12.40	6.20
	Payment of rent	4.20	4.20
	Receipt of rent	18.00	2.04
	Services received	-	-
	Closing balance	-	-
Mrs Hasumatiben K. Patel (relative of director)	Interest paid on deposits	-	0.80
	Closing balance of deposit	-	-
Mr. Kush V. Patel (relative of Director)	Salary and perquisites	2.06	2.70
Mrs. Pritty V. Patel (relative of Director)	Payment of Rent	-	12.00
Remuneration to Key Management Personnel (including perquisite)	Shri Vimal K.Patel	87.48	102.46
	Shri Mehul K.Patel	115.67	100.86
	Shri Shailesh A.Thakker	71.73	63.68
	Shri Kiran Shetty	55.96	50.91

**31) Earning per Shares**

	2013-2014	2012-2013
Profit available for Equity Shareholders (₹ in Lacs)	8981.63	6130.22
Weighted average Paid up Equity Shares – Nos.in Lacs	715.19	715.19
Earning Per Equity Share (Basic and diluted) (₹)	12.56	8.57

**32. The disclosure requirements as prescribed under the Accounting Standard 15 (Revised) "Employee Benefits" are given below:**
**Change in present value of defined benefit obligation**

	31 <sup>st</sup> March 2014 ₹ In lacs Gratuity	31 <sup>st</sup> March 2013 ₹ In lacs Gratuity	31 <sup>st</sup> March 2014 ₹ In lacs Leave Encashment	31 <sup>st</sup> March 2013 ₹ In lacs Leave Encashment
Opening defined benefit obligation	307.57	266.49	122.83	99.43
Current service cost	29.36	28.80	24.40	23.30
Interest cost	22.93	20.69	8.32	7.11
Benefits paid	17.27	(46.00)	23.05	(31.40)
Actuarial (gains)/losses on obligation	(49.06)	37.59	(40.46)	24.39
<b>Closing defined benefit obligation</b>	<b>328.07</b>	<b>307.57</b>	<b>138.14</b>	<b>122.83</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

## Reconciliation of fair value of plan assets (Funded)

	31 <sup>st</sup> March 2014 ₹ in lacs	31 <sup>st</sup> March 2013 ₹ in lacs
<b>Opening fair value of plan assets</b>	150.99	156.76
Expected return	12.66	11.52
Contribution by employer	34.49	27.30
Benefits paid	(49.06)	(45.99)
Actuarial gains/(losses)	(0.33)	1.40
<b>Closing fair value of plan assets</b>	<b>148.75</b>	<b>150.99</b>
<b>Benefit asset/liability</b>		
Present value of defined benefit obligation	328.06	307.57
Fair value of plan assets	148.75	150.99
<b>Plan assets/(liability)</b>	<b>(179.31)</b>	<b>(156.58)</b>
<b>Net employee benefit expenses recognized in the employee cost</b>		
Current service cost	29.36	28.80
Interest cost on benefit obligation	22.93	20.70
Expected return on plan assets	(12.66)	(11.52)
Net actuarial (gain)/loss recognized in the year	17.59	36.17
<b>Net benefit expenses</b>	<b>57.22</b>	<b>74.15</b>
<b>The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b>	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
Investment with Insurer	100%	100%
<b>Actuarial assumptions</b>	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
Expected rate of return on plan assets	9.25%	9.25%
Salary escalation rate	6.00%	6.00%
Withdrawal rates	5.00% *	5.00% *
Retirement age	55 Years	55 Years
Mortality assumption is based on LIC (1994-1996) published table rate		
* 5% at younger ages reducing to 1% at older age		

- 33) The company has identified manufacturing of automobile components as its sole primary segment. thus the disclosure requirements as set out in Accounting Standard 17 (AS-17) "Segment Reporting" are not applicable.
- 34) In the opinion of the management, there are no indications, internal or external which could have the effect of impairment of the assets of the company to any material extent as at the Balance Sheet date, which requires recognition in terms of Accounting Standard 28 (AS-28) on "Impairment of Assets".
- 35) The contribution to the equity capital of Lake Cements Limited is in the nature of investment and hence the same is not considered for consolidation purposes.
- 36) Previous years figures have been regrouped and reclassified wherever necessary to be in conformity with the figures of the current year.

As per our report of even date attached <b>For Shah &amp; Co.</b> Chartered Accountants FRN : 109430W		<b>For and on behalf of the Board,</b>	
<b>Ashish Shah</b> Partner Membership No. : 103750	<b>Dinesh Kavthekar</b> Company Secretary	Mehul K Patel Ramkisan Devidayal Mukesh D Patel Shailesh A Thakker	Vice Chairman & Managing Director Director Director Executive Director & Chief Financial Officer
Place : Mumbai Date : 24 <sup>th</sup> May, 2014		Place : Vadodara Date : 23 <sup>th</sup> May, 2014	

**Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies as at 31st Mar'2014**

(₹ in Lac)

Sr. No.	Name of Subsidiary Company	Paid up Capital	Reserves	Total Assets	Total Liabilities	Investments (except in case of investments in subsidiary)	Turnover/ income	Profit/ (Loss) before taxation	Provision for Taxation	Profit/ (Loss) after taxation	Proposed Dividend
1	Nederlandse Radiateuren Fabriek BV	94	29,180	37,173	11,510	3,611	49,541	2,827	562	2,265	
1.1	NRF Thermal Engineering BV (Skopimex BV)	13	299	312	-	-	-	-	-	-	
1.2	NRF France Sarl	154	1,137	2,954	1,663	-	8,450	384	105	279	
1.3	NRF BVBA	15	47	77	15	-	-	25	5	20	
1.4	NRF United Kingdom Ltd	1,495	288	2,787	1,004	-	3,928	(264)	43	(307)	
1.5	NRF Handelsges. mbH	30	(348)	1,189	1,506	-	2,901	(2)	1	(3)	
1.6	NRF Deutschland gmbH	85	728	1,719	907	-	10,149	637	196	441	
1.7	NRF Espana S.A.	2,800	465	4,112	847	-	8,687	132	38	94	
1.8	NRF Poland Spoz	15	580	1,520	924	-	3,711	261	52	210	
1.9	NRF Italia Srl	9	830	2,216	1,378	-	4,265	97	38	58	
1.10	NRF Zwitterland AG	50	142	368	176	-	718	38	(2)	41	
2.	Kilimanjaro Biochem Limited	1,633	1,708	6,749	3,408	-	5,539	841	256	586	-
3.	Lake Mineral (Mauritius) Limited	5,113	(281)	5,590	758	3,297	-	(65)	-	(65)	-
4.	Banco Gaskets (India) Limited	3,500	1,019	7,557	3,005	-	10,078	550	175	375	-

**Note : Sr. No. 1.1 to 1.10 are subsidiaries of NRF**

Exchange rate used for conversion of figures in Euro (1 to 1.10 of NRF group) ₹ 83.20 Per Euro (31st March 2013, ₹ 70.04 Per Euro)

Exchange rate used for conversion of figures in Tshs (No. 2 of Kilimanjaro Biochem Limited) :- 0.0358 ₹ Per Tshs (31st March 2013, ₹ 0.0288 Per Tshs)

Exchange rate used for conversion of figures in US\$ (No.3 of Lake Mineral (Mauritius) Limited):- ₹ 60.23 per US\$ (31st March 2012, ₹ 54.54 Per US\$)

No. 2 of Kilimanjaro Biochem Limited is subsidiary of Lake Mineral (Mauritius) Limited.

No. 4 of Banco Gaskets (India) Limited is an Indian Subsidiary using Indian Rupees as functional currency.

To,  
**Link Intime India Pvt. Ltd.**  
The Registrar and Transfer Agent  
(Unit : Banco Products (India) Limited)  
B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota, Vadodara 390 020.

**Electronic Clearing Service (Credit Clearing)  
Mandate Form**

(Shareholders' option to receive payments through Credit Clearing Mechanism)

Dividend Payment

- 1) Shareholder's Name :
- 2) Registered Folio No. :

- 3) Particulars of Bank Account :
- (A) Name of the Bank :
- (B) Name of the Branch :  
And Address :

(C) 9-Digit Code number of the bank and branch appearing on the MICR Cheque issued by the Bank.

(D) Type of the account (Saving, Current or Cash Credit) with MICR Code:

(E) Ledger and Ledger Folio Number :

(F) Bank Account Number (as appearing on the cheque book) :

(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque or photocopy of a cheque or front page of your saving bank pass book issued by your bank for verification of the above particulars)

4. Date of effect:

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete information, I would not hold Banco Products (India) Limited responsible.

Date:

Place:

Signature of the shareholder

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp

Signature of the authorized Official of the Bank.

**BANK CERTIFICATE NOT REQUIRED, IF ATTACHMENT GIVEN AS PER 3 "F" ABOVE.**

## PROXY FORM

CIN : L51100GJ1961PLC001039  
Name of the Company : Banco Products (India) Limited  
Registered Office : Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara-391410  
Tel Nos. 0265-2680220/1/2/3 \* www.bancoindia.com  
E-Mail investor@bancoindia.com.

Name of the member (s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No./Client Id : \_\_\_\_\_ DP ID : \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of Banco Products (India) Limited to be held on the 23.09.2014 at the Registered Office of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara - 391 410 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolution Details
	<b>Ordinary Business</b>
1.	Adoption of Financial Statements for the year ended 31st March, 2014
2.	Declaration of Final dividend on Equity Shares.
3.	Reappointment of Mehul K. Patel who retires by rotation.
4.	Reappointment of Samir K. Patel who retires by rotation.
5.	Appointment of M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad, (FRN : 106041 W) as Auditors of the Company in place of retiring Auditors M/s. Shah & Co., (FRN : 109430 W) Chartered Accountants, Mumbai and fixing their remuneration.
	<b>Special Business</b>
6.	Re - appointment and remuneration of Shri Mehul K. Patel as the Vice-Chairman & Managing Director of the Company
7.	Re -appointment and remuneration of Shri Shailesh Thakker as the Executive Director & CFO of the Company
8.	Appointment of Shri Atul G Shroff as Independent Director.
9.	Appointment of Shri Ramkisan Devidayal as Independent Director.
10.	Appointment of Shri Mukesh D Patel as Independent Director.
11.	Appointment of Shri Sudesh Kumar Duggal as Independent Director.
12.	Ratification of Borrowing Powers by way of Special Resolution

Signed this.....day of .....2014

Signature of the Shareholder(s)

Signature of Proxy holder(s)

Please affix  
Re. 1/-  
Revenue  
Stamp

### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory Statement and Notes please refer Notice of the Annual General Meeting.
3. Please complete all details including details of member(s) before submission.

## ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

CIN : L51100GJ1961PLC001039  
Name of the Company : Banco Products (India) Limited  
Registered Office : Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara-391410  
Tel Nos. 0265-2680220/1/2/3 \* [www.bancoindia.com](http://www.bancoindia.com)  
E-Mail [investor@bancoindia.com](mailto:investor@bancoindia.com).

Name of the Member(s)/Proxy	
Folio No.	
DP ID - Client ID	
No of Shares Held	

I hereby record my presence at the 53rd Annual General Meeting of the Company at Bil, Near Bhaili Railway Station Padra Road, Dist. Vadodara - 391 410 on 23.09.2014

Signature of the Membe(s)/Proxy

**Note:**

1. Members are requested to bring their copies of Annual Report at the AGM
2. Please strike off whichever is not applicable.



Printed Matter

If undelivered, please return to :  
**BANCO PRODUCTS (INDIA) LIMITED**  
Bil, Near Bhaili Railway Station,  
Padra Road, Dist. Baroda - 391 410.  
(Gujarat) India.

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